



# Sunset Hearing

November 18, 2009

Sunset Public Hearing Questions for

**Watkins Institute Commission**

Created by Section 49-50-701, *Tennessee Code Annotated*

(Sunset termination, June 2010)

**1. Provide a brief introduction to the commission and institute, including information about their purpose, statutory duties, and staff.**

Through provisions set forth in Samuel Watkins' last will and testament, Watkins Institute opened its doors as an educational institution in 1885. The will also contained a request that the state of Tennessee agree to accept and hold the institution in trust. In agreeing to this request (TCA 49-50-701), the state of Tennessee began a unique and positive relationship with Watkins Institute which has worked effectively for 124 years. Throughout its long history, Watkins Institute has provided continual, quality educational services and programs.

Although the general purpose of the Institute was established in Samuel Watkins' will as "the diffusion of knowledge among the people," commissioners were given "a large discretion...as to the subjects to be treated." Since the early 1990s, the institution has focused exclusively on the visual arts.

Today, commissioners, in association with the Watkins Board of Trustees, continue to govern the Institute in keeping with the provisions of its founder's will and as a non-profit corporation organized under the laws of the state of Tennessee. The Board of Trustees is composed of no fewer than twenty-five members and no more than forty members, including the three commissioners. The commissioners, who are appointed by the governor with the approval of the state senate, must approve the nomination of candidates for the Board of Trustees, who then must be elected by majority vote of the Board. The Board operates under its current by-laws (*see Attachment A*) that were adopted in November of 2007 and subsequently approved by the Honorable Robert E. Cooper, Jr., Attorney General of Tennessee.

Since the year 2000, the Institute has operated Watkins College of Art & Design, which functions as a four-year undergraduate institution of higher education. The mission of Watkins College of Art & Design is to offer a studio-based curriculum, supported by a strong academic foundation. The faculty and staff are committed to a learning-centered environment that challenges the student to engage the mind, train the eye and cultivate talent and skill into an active realization of creative potential.

The college is an institutional member of the National Association of Colleges of Art and Design, the only accrediting agency covering the whole field of art and design recognized by the Commission on Recognition of Post Secondary Accreditation and the U. S. Department of Education. Watkins was taken into candidacy for membership in the regional accrediting agency, the Southern Association of Colleges and Schools (SACS). The BFA in Interior Design is accredited additionally by the Council for Interior Design Accreditation (CIDA). Programs at the college include four-year bachelor-level degree

programs in five areas of visual arts-film, fine art, graphic design, interior design, and photography. The college also provides the Young Artists Program, a long-standing and award-winning program for children, and the adult Community Education Program, a non-degree series of courses for adults who wish to develop their skills and interests in visual arts. The general purposes of the college are to enrich the local, state, and regional communities with an active cultural arts center, to provide to students of all ages quality educational experiences in the visual arts, and to provide the region with outstanding artists, designers, and filmmakers.

The commissioners and the Board of Trustees serve without pay and without staff. The college employs 31 full-time and six part-time staff, 22 full-time faculty, and approximately 50 part-time faculty. Many faculty members are also practicing artists, designers, and filmmakers who not only serve on the faculty, but also contribute substantially in their private lives to the cultural life of Tennessee.

2. **Provide a list of current commission members and describe how membership complies with Section 49-50-701(b), *Tennessee Code Annotated*. Are there any vacancies on the commission? If so, what steps have been taken to fill the vacancies?**

#### **Commissioners**

Susan Basham  
Brownlee O. Currey, Jr.  
Walter Knestrick

#### **Compliance with Section 49-50-70 I (b)**

Brownlee Curry has a distinguished record in serving multiple terms. Walter Knestrick was appointed in 2002 and Susan Basham was appointed in 2008. This process conforms to the provisions of Section 49-50-701(b), TCA. There are no vacancies on the commission. In keeping with the by-laws of the non-profit corporation, however, additional members may be added to the current membership of the Board of Trustees.

#### **Commissioners and Board of Trustees**

##### **Commissioners**

Susan A. Basham	Brownlee O. Currey, Jr.	Walter Knestrick
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##### **Trustees**

##### **Officers**

Samuel E. Stumpf, Jr.	Ken McDonald	Taylor H. Henry
<i>Chair</i>	<i>Vice Chair</i>	<i>Treasurer</i>

Lynn Bennett	Richard L. Fulton	Carol McCoy
Barbara Chazen	Lee Ann Hawkins	Lucille Nabors

Beth S. Clayton	Edwina Hefner	Debbie Oliver
James H. Clayton III	J. Reginald Hill	Walter Schatz
Stephanie Barger Conner	Jamie D. Isabel, Sr.	Steve Sirls
Ward DeWitt, Jr.	Carlyle Johnson	Tarun Surti
Dee Doochin	Cindy MacLean	Laura Turner
Emmett Edwards	Jerry L. Maynard II	

**Trustee Emeriti**

Scott Clayton	Ralph Glassford	Paulette Whitworth
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**Ex Officio**

Phil Bredezen	Robert E. Cooper, Jr.	Ellen L. Meyer*
<i>Governor of Tennessee</i>	<i>Attorney General of Tennessee</i>	<i>President of the College</i>

\*See biography and curriculum vitae in *Attachment B*.

**3. Does membership include a member who is sixty years of age or older? A member who is a racial minority? A member who is female?**

Among the three commissioners there are persons who are over sixty years of age (67%). Both genders are represented (33%). There is not a member of a racial minority. The other 26 voting members of the Board of Trustees are diverse with 15 (58%) men and 11 (42%) women. There are five African-Americans among the voting membership and one member of Indian descent.

**4. How many times has the commission met in the past year, and how many members were present at each meeting?**

The commissioners meet with and as members of the Board of Trustees.  
The commission met five times in 2008-2009:

<b>Date</b>	<b>Commissioners present</b>	<b>Trustees present</b>
September 26, 2008	3	20
November 21, 2008	3	15
February 26, 2009	2	16
April 24, 2009	2	19
June 25, 2009	2	16

In addition, the three commissioners serve on the Executive Committee of the Board of Trustees, which meets monthly.

**5. What per diem or travel reimbursement do members receive? How much was paid to commission members during fiscal years 2008 and 2009?**

Commissioners and regular members of the Board of Trustees receive no per diem reimbursement for travel, or other consideration for their service.

**6. Please describe what policies and procedures the commission has in place to address potential conflicts of interest by commission members and institute employees.**

All commissioners and regular members of the Board of Trustees sign annually a statement described in Article XII in the by-laws, which prohibits certain conflicts of interest in their service to Watkins and requires full-disclosure of any potential conflicts of interest. See *Attachment A*.

Potential conflicts of interest by staff and employees of the college are prohibited by college policies prescribed in Guideline #7.6 in the Operational Policies and Guidelines Manual for Watkins and are monitored by the President and the Vice President for Finance and Operations and through the institution's annual outside audit which is reported to the Board of Trustees' Finance Committee with copies available to all members of the Board and provided to appropriate officers of the state of Tennessee. See *Attachment C*.

**7. Is the commission subject to Sunshine Law requirements (Section 8-44-101, *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the commission follow to inform the public of its meetings and to make its minutes available to the public?**

Although the State of Tennessee holds Watkins in trust, Watkins is not organized under the University of Tennessee Board or the Tennessee Board of Regents, and does not currently receive regular annual appropriations (even though the state has from time to time provided funding for maintenance and improvements in Watkins' facilities and has committed itself in principle to provide annual appropriations).

Because Watkins currently is not annually funded by the state and is not operated as a public institution of higher education under any state higher education board, and because the commissioners and other regular members of the Board of Trustees do not hold that they are currently involved in the "formation of public policy and decisions," (Section 8-44-101(a), TCA) the commissioners and other regular members of the Board of Trustees are uncertain if their meetings fall under the Sunshine Law.

Nevertheless, their meeting times are publicly prescribed in the by-laws addendum to meet on specific days every February, April, June, September, and November of each year. In addition, complete minutes are kept, signed by the Board chair, approved by the

full Board, and kept on file in the offices of Watkins College of Art & Design. Moreover, copies of all Board minutes for all Board meetings throughout each fiscal year are provided annually to the institution's outside auditor, currently Crosslin & Associates Certified Public Accountants of Nashville, TN.

**8. What were the institute's revenues (by source) and expenditures (by object) for fiscal years 2008 and 2009?**

Please see *Attachment D* for the audited statements of activities and schedule of expenses.

**9. Does the commission "render biennial accounts to the Governor of receipts, expenditures, and all other matters connected with the trust" as required at Section 49-50-701(c), *Tennessee Code Annotated*? Does the commission provide an annual audited financial statement to the Comptroller of the Treasury and to the chairs of the Senate and House Government Operations Committees" as required by Section 49-50-701(i) and (j), *Tennessee Code Annotated*? What other reports does the commission prepare concerning its activities, operations and accomplishments? Who receives copies of these reports? Please attach copies of any reports issued during fiscal years 2008 and 2009.**

Watkins College of Art & Design forwards its outside audit directly to the Governor's office and to the chairs of the Senate and House Government Operations Committees and to the Comptroller of the Treasury.

Watkins reports periodically to its national accrediting agency, the National Association of Schools of Art and Design (NASAD). In December each year, a statistical survey is submitted (HEADS Report), which includes budgetary information. See *Attachment E*.

In July each year, a supplemental annual report is also submitted to NASAD, which contains financial information relative to the disbursement of student financial aid. See *Attachment F*.

In March 2008, Watkins provided the association with a complete institutional Self-Study and subsequent Response to the Visitors' Report. See *Attachment G*.

Beginning in Summer 2009, Watkins is required annually to submit a financial report as a candidate for membership to the regional accrediting body, the Commission on Colleges of the Southern Association of Colleges and Schools. In July 2009, Watkins submitted the 2009 Commission on Colleges Financial Profile. See *Attachment H*.

In October 2009, the College submitted compliance certification for membership to the Commission on Colleges of the Southern Association of Colleges and Schools (SACS-COC). See *Attachment I*.

Additionally, The Board of Trustees approved the institution's five-year strategic plan and the institution's five-year financial plan in September 2009. It is the document that

guides the institution in its current development and is available to all accreditation bodies, faculty, staff, Commissioners and board members. See *Attachment J*.

Watkins also files annual reports containing primarily statistical, demographic, and compliance data to the United States Department of Education and the Tennessee Student Assistance Corporation.

**10. What were the institute's major accomplishments during fiscal years 2008 and 2009?**

Watkins achieved candidacy for membership in the regional accrediting agency, the Southern Association of Colleges and Schools (SACS). Also it received a ten-year unqualified reaccreditation by the National Association of Schools of Art and Design (NASAD), which is the accrediting body recognized by the US Department of Education for colleges focused on art and design.

A major addition was made to the leadership roster at Watkins. Following the retirement of Dr. Jim Brooks, Ellen L. Meyer was appointed the new president in August of 2008. President Meyer comes to Watkins with a great deal of leadership experience. She was President of Atlanta College of Art for 14 years, Director of Continuing Education and Special Programs at Rhode Island School of Design, Vice President of Marketing and Extension at Minneapolis College of Art and Design, consultant to the National Building Museum in Washington, D.C. and director of a ceramics program for the National Park Service. Her previous experience also includes being a practicing ceramist, an art history instructor, a gallery director, and a researcher and lecturer for the Smithsonian Institution.

In Summer 2009, Community Education and Enrichment introduced a pre-college, three-week, intensive program for highly motivated high school students was initiated with majors in fine arts and film. In Summer 2010, this program will expand to include graphic design, photography and interior design majors, and students will have the opportunity to live on campus for a fuller college-like experience. Applications for the degree programs grew by 17% in 2008-2009. Requests for information came from individuals in all 50 states and retention grew from 66% to 71%.

Beginning in fall of 2009-2010, the BFA in Graphic Design will include a concentration in illustration, which was approved by the Board of Trustees in November 2008. Additionally during this academic year, Watkins offered free art exhibits; conducted portfolio reviews for high school students; provided public lectures by national artists; held public poetry readings and film screenings.

Since 2007, the College has provided institutional financial aid and has developed additional scholarship opportunities. The Renaissance Scholarship supports incoming, non-traditional students who have been out of school for at least 10 years or never completed a degree; \$60,000 has been committed to this scholarship. The Creditividad Diversity Scholarship is awarded to incoming Hispanic students, and the Onyx Diversity

Scholarship supports African-American applicants. A total of \$90,000 has been committed to each of the Diversity Scholarships.

Total institutional financial aid budgeted for the 2007-2008 and 2008-2009 academic years are as follows:

	Institutional Financial Aid Budgeted	Tuition & Fees Received*	Percentage
2007-2008	\$302,000	4,499,588	7%
2008-2009	\$536,550	4,969,089	11%

\*Tuition and scholarship amounts do not include Community Education.

In 2008-2009, Watkins exceeded its expected enrollment and, thus, had greater operational revenue due to this higher than expected enrollment. Watkins has paid down its capital debt ahead of schedule. It operated within a balanced budget and has done so for several years as mandated by its Board of Trustees.

A major property and landscaping upgrade was completed in 2008-2009, and a campaign to build an addition to its academic building was successfully completed. Capital fundraising has achieved particular success in the last several years, most notably for the two residence halls in fiscal years 2005 and 2008. In 2008-2009, the capital campaign for the building addition was successfully completed raising \$822,520, with a goal of \$800,000, for both academic and student life space. The addition will better meet the needs of the programs and will be complete by Spring 2010. In addition, a significant bequest of \$500,000 for the College's endowment was received in 2008-2009.

During the academic year 2008-2009, the library underwent significant changes. The first change was to the library's website with the creation of well-organized pages for instruction and research guides, the writing center, reserve and purchase request forms, announcements and the promotion of new materials. The college implemented a systematic collection development program with the establishment of a Collection Development Committee that has assisted in reorganizing, weeding, and adding of new, appropriate materials. This is an ongoing project that becomes more focused and organized as it continues.

The library put into place new policies regarding circulation and "customer" service and started several marketing initiatives that have made the library a more active member of the Watkins community, such as film series, book sales, and a public relations campaign. In Summer 2009, the library acquired new computers and shelving, and completely overhauled its physical appearance. The "new" library opened at the start of the Fall Semester 2009. Overall, major efforts have been made to see that the library is a dynamic, living student- and faculty-centered learning resource.

For the past several years, Watkins College of Art & Design has had formal agreements with students from Fisk University, Pellissippi State Technical Community College, and Columbia State Community College who have earned credits in film production, graphic design and interior design. Other students from Belmont University, Tennessee State



University and Vanderbilt have earned credits as special status students through transient agreements.

Watkins faculty and students worked with the Arts Commissions, Tennessee Arts Educators, the Jewish Film Festival, the Nashville Film Festival, the Frist Museum, Cheekwood Museum, and many local galleries. Local non-profits benefitted from Watkins including: Habitat for Humanity, Hands on Nashville, Alive Hospice, Nashville Cares, and the Nashville Public Library.

Examples of recognition in 2008-2009 include: Winner, Regional Emmy Award; Awards from the Nashville Advertising Federation 37 of 57 and 1 national and 4 district); Certificate of Merit by NYC Society of Illustrators; Gold medal for an illustration series in Contemporary Illustration; Best of Nashville Award in drawing, interior design, and author; Master Printmaker for a print portfolio project; Film accepted into the Shorts Corner of the Cannes Film Festival; Film accepted into International Black Film Festival; Film screened at Phoenix Film Festival; three awards at the 2009 Nashville Film Festival including top honors: Five student films screened; Two teen community groups' films were accepted. For a full list of accomplishments, see the Year in Review, *Attachment K*.

The 2008 annual alumni survey also continued to yield mostly positive response from graduates. Two hundred and eighty-one alumni were sent surveys and of the 42 respondents, 82% of those who responded are working in a position directly related to their major, 96% said Watkins prepared them for their career, and 100% of the respondents said they would recommend Watkins to others. See *Attachment L*.

Watkins opened its doors to a number of community organizations in 2008-2009 including: Tennessee Screenwriters Association, Big Brothers/Big Sisters, TN Alliance for the Arts Full Moon Festival, American Society of Media Photographers, Women in Film, Nashville Film Festival, TN Arts and Craft Association, Girl Scouts, Across America Film Festival, Screen Actors Guild, American For The Arts, Society for Motion Picture and Television Engineers, Green Earth Computer Recycling, Nashville Humane Society, International Black Film Festival, National Portfolio Day, Metro Nashville Arts Commission, Film Nashville Grant Workshop, Nashville Cares Aids Film Festival. These organizations used the unique facilities at Watkins free of charge to accomplish their group's objectives for their event.

Further goals and accomplishments are listed in the Strategic Plan under "Summary Review of Goals, Objectives and Benchmarks 2008-2009. See *Attachment J*, pp. 17-20.

**11. Describe any items related to the commission or institute that require legislative attention and your proposed legislative changes.**

No items are proposed at this time.

**12. Should the institute be continued? To what extent and in what ways would the absence of the institute affect the public health, safety, or welfare?**

Watkins is an unusual institution that provides educational and cultural services and programs that are distinct and unique. Were it to cease operations, the city, state, and region would be substantially poorer educationally and culturally.

Watkins is one of Tennessee's most historic and valued institutions with an educational legacy that includes over a century of distinguished service. In 2010, it will celebrate its 125<sup>th</sup> Anniversary of service to the community. It has positioned itself for another century of service with an appropriate mission, quality educational and community service programs, dedicated personnel, and an attractive, functional physical plant and campus.

More than 350,000 people have taken courses at Watkins over the years and many thousands more have attended hundreds of public programs offered by the institution. Through a unique and productive relationship with the state, the institution has survived some difficult times and has emerged into the twenty-first century as a vibrant, growing, and financially-sound cultural and educational center offering regionally prominent, affordable, and high quality programs in art, design, and film.

Today, Watkins College of Art & Design plays an important role within Nashville and Tennessee's rich and varied higher education community. Watkins is the only nationally-accredited college in the mid-state region offering studio-based undergraduate degrees in the visual arts. As an arts college, it provides a much-needed higher educational opportunity to Tennesseans that would not otherwise be met in this region, and more generally complements the city and state's other important cultural resources. And, equally important, Watkins produces many of the area's new artists, designers and filmmakers. As it continues to develop its programs, Watkins College of Art & Design hopes to extend this part of its role to a regional and national level, making Nashville a city that is known and celebrated throughout the nation for its contributions to the visual arts.

**13. Please list all institute programs or activities that received federal financial assistance and, therefore are required to comply with Title VI of the Civil Rights Act of 1964. Include the amount of federal funding received by program/activity.**

**Federal Student Financial Aid Programs for FY 2008-2009**

Federal Pell Grant Program	\$294,348
Federal SEOG Program	\$28,497
Federal Work Study Program	\$20,293
Academic Competitiveness Grant	\$8,575 Added July 2006
<b>Total Federal Aid</b>	<b>\$351,683</b>
Federally Subsidized Student Loans*	\$896, 840
Federally Sponsored Unsubsidized Loans*	\$1,006,963
<b>Total Federal Loans</b>	<b>\$1,906,803</b>
Parent Loans (PLUS Program)*	\$486,468

\*Both parents and students must apply for all federal loan programs.

*If the institute does receive federal assistance, please answer questions 14 through 21.  
If the institute does not receive federal assistance, proceed directly to question 20.*

**14. Does your institute prepare a Title VI plan? If yes, please provide a copy of the most recent plan.**

Watkins does not have a document that could be described as a "Title VI plan."  
However, as described below in response to questions 15-19, Watkins takes appropriate steps to monitor and insure compliance with Title VI.

**15. Does your institute have a Title VI coordinator? If yes, please provide the Title VI coordinator's name and phone number and a brief description of his/her duties. If not, provide the name and phone number of the person responsible for dealing with Title VI issues.**

The Director of Student Life is the Title VI coordinator at Watkins College of Art & Design for students. Currently there is a search for a new director. In the interim, the acting Director of Student Life acts as the Title VI coordinator for students:

Kristi Hargrove  
Professor  
(615) 277-7406  
khargrove@watkins.edu

All Title VI issues among the faculty and staff are handled by:

Linda Schwab  
Director of Admissions  
(615) 277-7458  
lschwab@watkins.edu

The Vice President for Academic Affairs, the Vice President of Finance and Operations (who also coordinates human resources), the Vice President for Institutional Advancement (Watkins' grant officer), the Director of Admissions, and the Director of Financial Aid also have responsibilities to insure compliance with Title VI. As the chief executive officer, the college president has final authority and responsibility to insure compliance.

Ellen L. Meyer  
President  
Watkins College of Art & Design  
(615) 383-4848

**16. To which state or federal agency (if any) does your institute report concerning Title VI? Please describe the information your institute submits to the state or federal government and/or provide a copy of the most recent report submitted.**

Watkins College of Art & Design provides Title VI data and compliance assurances to:  
The United States Department of Education  
The Tennessee Arts Commission  
The Metropolitan Nashville Arts Commission  
The Tennessee Student Assistance Corporation

See *Attachment M* for copies of Title VI data sections in the most recent reports submitted to each agency listed above including the Integrated Postsecondary Education Data System (IPEDS) report.

**17. Describe your institute's actions to ensure that institute staff and clients/program participants understand the requirements of Title VI.**

The leadership at Watkins is committed to insuring that all members of its academic community understand and comply with the provisions of Title VI of the Civil Rights Act of 1964.

All commissioners and Board of Trustee members have copies of the "Trustees of Watkins Institute By-Laws" which in Article XIII states that "in administering its affairs, the Corporation shall not discriminate against any person on the basis of race, religion, color, national or ethnic origin, sex, age, or disability." The same article charges the college as follows: "The College shall also adopt, publish, and implement a policy against all unacceptable forms of discrimination." See *Attachment A*.

The Policy Manual for Watkins is available electronically to all Watkins personnel and all are directed to read it. The manual addresses Watkins' commitment to provisions of Title VI in its "Statement of Purpose," and policies on equal employment opportunity (1.1), recruitment and hiring (1.2), and grievance procedures (1.11). See *Attachment N*.

The college catalogue which is provided to all students who seek admission to the institution has a prominently-displayed statement of the institution's policy on non-discrimination: "Watkins College of Art & Film makes no distinction in its employment, contracting, or admissions policies or procedures, including the awarding of scholarships or other forms of financial assistance, on the basis of age, sex, religion, race, color, sexual orientation, national origin or disability." See *Attachment O*, pp. 7-8.

The Board of Trustees approved the institution's five-year strategic plan in September 2009. It is the document that guides the institution in its current development. "Watkins is committed to a creative learning community of individuals with racial, ethnic, cultural, age and gender diversity. A significant degree of diversity broadens the educational

experience for students and faculty and reflects the rich cultural variety that makes up the mid-state region and beyond.” See *Attachment J*, p. 57. This plan is provided to all members of the Watkins academic community and members of the general public who express interest in the institution.

**18. Describe your institute’s actions to ensure it is meeting Title VI requirements. Specifically, describe any institute monitoring or tracking activities related to Title VI, and how frequently these activities occur.**

To insure that the institution effectively pursues its stated goals and complies fully with Title VI, Watkins analyzes each year the ethnic and gender diversity of its Board of Trustees, staff, faculty, and students. In addition, the College annually provides diversity data and/or Title VI assurance data to the National Association of Schools of Art and Design (the institution's accrediting agency), the United States Department of Education, the Tennessee Arts Commission, the Metropolitan Nashville Arts Commission, and the Tennessee Student Assistance Corporation.

Since 2005-2006, an agreement with The John Hope and Aurelia E. Franklin Library at nearby Fisk University which gives Watkins’ students complete access to their extensive library and allows Fisk students complete access to Watkins’ more focused, in-depth collection in art, design and film. This arrangement with Fisk provides faculty and student access to an additional 200,000 books and periodicals.

Beginning in April 2007, Watkins coordinated three articulated partnership agreements with Fisk University. Watkins provides coursework to students which allows them to complete degree requirements at Fisk. There is a six-course sequence for a minor in Film Studies and a six-course sequence for a minor in Interior Design—all of these courses are provided by Watkins. The 15-course sequence for a concentration in Graphic Design has nine courses provided by Watkins and the remaining three courses by Fisk. Currently, students are enrolled in both the Graphic Design and Film Studies program.

As noted in item #10, to encourage diversity, since 2007, the College has provided institutional financial aid and has developed additional scholarship opportunities. The Renaissance Scholarship supports incoming, non-traditional students who have been out of school for at least 10 years or never completed a degree; \$60,000 has been committed to this scholarship. The Creditividad Diversity Scholarship is awarded to incoming Hispanic students, and the Onyx Diversity Scholarship supports African-American applicants. A total of \$90,000 has been committed to each of the Diversity Scholarships.

**19. Please describe the institute’s procedures for handling Title VI complaints. Has your institute received any Title VI-related complaints during the past two years? If yes, please describe each complaint, how each complaint was investigated, and how each complaint was resolved (or, if not yet resolved, the complaint’s current status).**

The institution's Operations Policy and Guidelines Manual provides a formal grievance procedure (1.11) for addressing Title VI issues within the faculty and staff. Issues must be addressed fairly and confidentially in a prescribed and timely manner. No one may be penalized for filing a complaint. Complaints are addressed at increasingly higher levels within the organizational structure until there is a resolution that is acceptable to all or until all levels of appeal are exhausted. See *Attachment N*.

A separate procedure is provided for students who believe they have suffered unlawful discrimination, as outlined in the student handbook. See *Attachment P*, pp. 71-74. Situations may arise in which a student believes that he or she has not received fair treatment by a representative of the College or has a complaint about the performance, action, or inaction of a member of the staff or faculty affecting the student. A student who wishes to have a complaint addressed by the College should first use the Complaint Procedure and then utilize the Grievance Procedure if the Complaint Procedure proves unsatisfactory. Students are encouraged to seek assistance with this process from the Vice President for Academic Affairs, their advisor, or another member of the faculty or staff, if appropriate.

There has been one Title VI-related complaint during the past two years. During the summer of 2007, a complaint was filed from female faculty members against a male staff member for inappropriate conduct. The Vice President of Academic Affairs received the initial grievance, which was investigated by the President of the College. The staff member received a warning and when another complaint was reported and investigated, he was terminated.

**20. Please provide a breakdown of current institute staff by title, ethnicity, and gender.**

<b>Title</b>	<b>Race</b>	<b>Gender</b>
President	Caucasian	Female
Vice President for Academic Affairs	Caucasian	Male
Vice President for Finance and Operations	Caucasian	Female
Vice President for Institutional Advancement	Caucasian	Female
Director of Admissions	Caucasian	Female
Director of Community Education & Enrichment	Caucasian	Female
Director of External Relations	Caucasian	Female
Director of Facilities	Caucasian	Male
Director of Financial Aid	African-American	Female
Director of Information Technology	Caucasian	Male
Registrar	Caucasian	Female
Admissions Office Manager	Caucasian	Male
Admissions Recruitment Officer	Caucasian	Male
Admissions Specialist	Caucasian	Female
Assistant Director of Community Education & Enrichment	Caucasian	Female
Assistant Facilities Director	Caucasian	Male

Assistant to the Vice President for Institutional Advancement	African-American	Female
Database Administrator	Caucasian	Female
Finance Associate	Caucasian	Female
Finance Associate	Caucasian	Male
Financial Aid Coordinator	African-American	Male
Front Desk Manager	Asian-American	Male
Maintenance Technician	African-American	Male
Maintenance Technician	Caucasian	Male
Network Administrator	Caucasian	Male
Post Production & Audio Visuals Administrator	Caucasian	Male
Receptionist	Caucasian	Male
Regional Recruiter	Caucasian	Male
Student Services Specialist	Caucasian	Female

Among current administration and staff, 13% are African-American and 3% are Asian American.

**21. Please list all institute contracts, detailing each contractor, the services provided, the amount of the contract, and the ethnicity of the contractor/business owner.**

Contractor	Service	Size of Contract	Ethnicity
AT&T 333 Commerce St Nashville, TN 37201	Phone & Broadband	\$6,000 annually	Publicly owned
Comcast 660 Mainstream Dr, Nashville, TN 37228	Broadband & Cable	\$30,000 annually	Publicly owned
Paetec Comm. 105 Westwood, Pl # 100 Brentwood, TN 37027	Phone & Broadband	\$5,000 annually	Publicly owned
Cintas 3400 Briley Park Blvd. N. Nashville, TN 37207	Janitorial Supplies	\$7,400 annually	Publicly owned
Waste Tech Services 330 Mallory Station Rd. Suite 6 Franklin, TN 37067	Waste Management	\$460 approx. per month	Caucasian
U.S. Security Assoc. 4721 Trousedale Dr Ste 216 Nashville, TN 37220	Security guard service	\$31,600 annually	Caucasian
Property Maintenance Company P.O. Box 367 Old Hickory, TN 37138	Landscaping service	\$1,308.33 per month	African American

McClouds Pest Control 700 W Main St, Hendersonville, TN 37075	Pest control	\$340 per month	Caucasian
Mobile Mini Inc. 1700 Nolensville Rd Nashville, TN 37210	Mobile Storage	\$320 per month	Publicly Owned
ADS Security 3001 Armory Drive Suite 100 Nashville, TN 37204	Security monitoring service	\$1,400 annually	Limited Partnership
Interstate AC Service 1877 Air Lane Dr. Nashville, TN 37210	HVAC maintenance	\$24,000 annually	Caucasian



## ATTACHMENTS

- A: Board By-Laws
- B: Ellen Meyer's Biography and Curriculum Vitae
- C: Operational Policies and Guidelines
  - Conflict of Interest—Guideline #7.6
- D: Revenue and Expenditures
- E: HEADS Report
- F: Disbursement of Financial Aid Report
- G: Self Study, National Association of Schools of Art and Design, 2008
- H: 2009 Commission on Colleges Financial Profile
- I: Commission on Colleges of the Southern Association of Colleges and Schools Compliance Certification, 2009
- J: Strategic Plan, 2009-2010 to 2013-2014
- K: Year in Review
- L: Alumni Survey, September 2008
- M: Title VI Data
- N: Operational Policies and Guidelines:
  - Equal Employment Opportunity—Policy #1.1
  - Recruitment and Hiring—Policy # 1.2
  - Grievance Procedures—Guideline #1.11
- O: College Catalogue, pages 7-8
- P: Student Handbook, pages 71-74

# **Trustees of Watkins Institute By-Laws -- 2008**

## **Article I**

### **History**

**Section 1. Charter.** The Trustees of Watkins Institute (the “Corporation”) was originally chartered on April 18, 1974, as a non-profit corporation under the laws of the State of Tennessee.

**Section 2. Purpose.** The purposes for which the Corporation was formed are those set forth in its Charter, namely, to do and perform all acts, consistent with the will of Samuel Watkins, and the codicils thereto (collectively, “Samuel Watkins’ Will”), to strengthen the ability of the educational institution known as Watkins Institute to serve the needs of the people of Tennessee and to carry out the testamentary intent and purpose of Samuel Watkins.

**Section 3. Watkins College of Art & Design.** With approval from the Tennessee Higher Education Commission on July 1, 2000, Watkins Institute began operating all of its educational and enrichment programs exclusively under the name, Watkins College of Art&Design. With approval by a simple majority vote in three successive, regularly scheduled meetings of the Watkins Institute Commissioners and Board of Trustees, the operating name of the college, the names of its schools, departments, community programs, galleries, buildings and facilities may be created, determined, and changed from time to time. If the operating name of the college is changed, the approved name change shall automatically be substituted throughout the By-Laws, and this substitution will not require the amendment procedures in Article XIV.

**Section 4. Purpose of By-Laws.** These By-Laws are intended to provide the framework for the organization and operation of the Corporation, and for the Corporation’s support of the operations of Watkins Institute and Watkins College of Art&Design.

## **Article II**

### **Offices**

The business of Watkins Institute shall be carried on at offices and locations determined by the Board of Trustees, provided that such actions are within the terms of Samuel Watkins’ Will.

## **Article III**

### **Membership**

**Section 1. Board of Trustees.** The Corporation shall be governed by a Board of Trustees of not less than twenty-five (25) nor more than forty (40) persons in addition to any Trustee Emeriti. The Board of Trustees shall include the Chair, the Vice Chair, and the three (3) Commissioners of Watkins Institute (“Commissioners”) who shall be serving as such from time to time under the terms of Samuel Watkins’ Will and any legislation or other law or regulation of the State of Tennessee relating to Samuel Watkins’ Will or to Watkins Institute (collectively, “Applicable Law”). The Governor, the Attorney General, and the President of Watkins College of Art&Design shall be ex officio members of the Board and shall not vote or be included for purposes of determining a quorum.

**Section 2. Appointment and Removal of Trustees.** New members of the Board of Trustees shall be nominated by the Membership and Board Operations Committee, approved by the Commissioners, and elected by a majority of the votes cast at any meeting of the Board. No compensated member of the faculty nor the staff of Watkins College of Art&Design, other than the President, shall be a member of the Board. Any member of the Board of Trustees may be removed from office, for cause, at any meeting of the Board by affirmative vote of two-thirds of the Trustees then in office. For the purposes of this Section, cause shall mean final conviction of a felony, declaration of unsound mind by court order, adjudication of bankruptcy, non-acceptance of office, or conduct prejudicial to the interests of Watkins Institute or Watkins College of Art&Design.

**Section 3. Term.** Trustees shall serve for three-year terms and until their successors are elected, and they may succeed themselves in office. Terms shall begin on July 1 of the calendar year in which they are appointed and shall end three years later on June 30. Provided there are sufficient vacancies, one-third of the Board shall be appointed each year. Trustees shall be eligible for reelection for as many terms as they are willing to serve subject to recommendations of the Membership and Board Operations Committee and approval by the Commissioners.

**Section 4. Powers and Duties.** The affairs of the Corporation shall be managed by the Board of Trustees with the duty of improving the ability of Watkins Institute through Watkins College of Art&Design to serve the community at large. The Board of Trustees shall perform all duties and functions ordinarily and customarily performed by trustees of educational institutions. The Trustees shall perform such duties and functions in compliance with Samuel Watkins’ Will and Applicable Law. The Board of Trustees specifically establishes, approves, evaluates, and from time to time amends the institution’s official mission statement. In addition, the Board is responsible for the fiscal stability and well-being of the institution and approves all institutional policy, including

policies and by-laws of related or affiliated entities and auxiliary services, including but not limited to the community support organization known as Friends of Watkins, the College faculty senate, the student forum, and any other staff, faculty, or student groups affiliated with Watkins, using Watkins' facilities, or using any form of the name of the College. While the Board of Trustees functions as the policy-making authority for Watkins College of Art&Design, it recognizes and supports the college administration and faculty as the appropriate agents for implementing policy and operating the institution on a day-to-day basis. Board-approved policies and guidelines are published and available to Board members, administrators, faculty, staff, and other appropriate agencies in *Operational Guidelines and Policies Manual for Watkins College of Art&Design*. This document contains a description and illustration of the institution's current organizational structure which clearly delineates responsibility for the administration of policy. The organizational structure and other policies and guidelines with the *Manual* may be amended, replaced, substituted, deleted, or otherwise changes by a simple majority vote of the Board of Trustees in any regularly scheduled meeting, provided a quorum is present and sufficient notice has been provided to the full membership.

Reflecting the unique trusteeship with the State of Tennessee, the Board of Trustees acknowledges its reporting and other responsibilities to the State as well as the State's responsibilities to the Institute. While mindful of the specific provisions of the trusteeship, the Board of Trustees has primary responsibility for the operating policies of the Institute and College, and takes special care to protect the corporation and the educational institution from undue influence or interference by political or other external bodies.

## **Article IV**

### **Commissioners**

**Section 1.**     **Appointment of Commissioners.** The Board of Trustees shall include the three (3) Commissioners appointed by the Governor and approved by the senate, pursuant to the provisions of the will of Samuel Watkins and as directed by Chapter 49, Acts of 1881 (T.C.A. §49-50-701).

**Section 2.**     **Term.** The Commissioners shall serve for a term of four (4) years and until the appointment and qualification of their successors, and they may succeed themselves in office. Terms shall begin on July 1 of the calendar year in which they are appointed and shall end four years later on June 30.

**Section 3.**     **Powers and Duties.** The Commissioners shall approve all nominations for Board membership submitted by the Membership and Board Operations Committee prior to the Board of Trustees meeting in which elections are to be held. The Commissioners shall approve the By-Laws and any amendments to the By-Laws after adoption by the Board of Trustees.

## **Article V**

### **Trustees Emeriti**

**Section 1. Election and Term.** A Trustee who has served for a minimum of three terms or has served for a minimum of two terms and attained the age of 70 years may, upon nomination by the Membership and Board Operations Committee, be elected by a majority of the Board as a Trustee Emeritus.

**Section 2. Powers.** Trustees Emeriti shall be entitled to receive notices of all meetings of the Board, to attend and speak at all such meetings, to receive minutes of all meetings of the Board and Executive Committee, and to be members of all committees except the Executive Committee. They shall have the power to vote in meetings of any committee on which they may serve, but shall not have voting powers in meetings of the Board of Trustees.

## **Article VI**

### **Officers**

**Section 1. Officers Designated.** The officers of the Corporation shall be the Chair, Vice Chair, and Treasurer of the Board of Trustees of Watkins Institute and the President of Watkins College of Art&Design. The Chair and Vice Chair shall be nominated by the Membership and Board Operations committee and elected by a majority vote of the Board of Trustees. Unless a vacancy in the Chair or Vice Chair or in both of these offices occurs at another time, appointment of these two officers shall be held at the annual June meeting of the Board of Trustees. The Chair and Vice Chair shall serve for terms of two years and until their successors are elected. Terms shall begin on July 1 of the calendar year in which the officers are elected and shall end two years later on June 30 or when their successors are elected. The Chair and Vice Chair may be reelected. The Treasurer is appointed annually by the Chair of the Board of Trustees and serves as the chair of the Finance Committee. The President, who reports directly to the Board, is selected and replaced as necessary by a simple majority vote of the Board of Trustees. The selection process shall normally include a national search for candidates with appropriate academic credentials and experience, a screening process, and interviews with Board members and appropriate college staff, faculty, and students. The President shall serve such terms as may be determined by the Board of Trustees. All officers are subject to removal by affirmative vote of a majority of the entire membership of the Board of Trustees.

**Section 2. Board Membership.** The Chair, Vice Chair, and Treasurer shall be members of the Board of Trustees. The President shall be an ex officio member of the

Board without power to vote and shall not be counted as a member of the Board or any committee on which he or she may serve for any purpose.

**Section 3. Appointment of Other Officers.** The Board may appoint such other officers as may be deemed necessary for the proper management of the Institute and the College.

**Section 4. Vacancies.** A vacancy in any of the offices may be filled at any meeting of the Board of Trustees.

## **Article VII**

### **Powers and Duties of the Chair, Vice Chair, and Treasurer**

The Chair shall preside at all meetings of the Board of Trustees, shall have a right to vote on all questions, and shall have general supervision over the Corporation. The Chair shall work closely with the President to see that all Board-approved policies are followed in the operations of the College, shall notify members of the Board of Trustees the time, date, meeting place, and agenda for Board meetings and shall do so well in advance (at least 10 days before the date of the meeting) of each meeting, shall see that the minutes of each Board meeting and each Executive Committee meeting are kept, approved, and circulated at each subsequent meeting of the Board or Committee. The Chair shall attest to such documents as may be necessary in the business of the Corporation, including but not limited to deeds, bonds, mortgages, agreements, contracts, diplomas, resolutions, and minutes of meetings of the Board and the Executive Committee. The Chair shall have such other powers and duties as the board from time to time may prescribe. In the absence or disability of the Chair, the Vice Chair shall perform the duties of the office of the Chair.

The Treasurer chairs the Finance Committee and is responsible for seeing that the committee carries out its responsibilities as described in Article X, Section 9.

## **Article VIII**

### **Powers and Duties of the President of the College**

The President shall, as educational and administrative head of the College, exercise a general superintendence over all the affairs of the institution, and bring such matters to the attention of the Board as are appropriate to keep the Board fully informed to meet its policy-making and supervisory responsibilities. The President shall have power, on behalf of the Trustees, to perform all acts and execute all documents to make effective the actions of the Board or its Executive Committee. Except as otherwise provided in these By-Laws, the President shall be an ex officio member of all committees of the Board

without the power to vote. The President will work closely with the Finance Committee to see that the Board is regularly informed of the financial status of the College and to see that the Board is presented in its annual June meeting with a financial report for the current year and a budget proposal for the forthcoming year; in addition, the President shall exercise general superintendence over and shall specifically approve all fund-raising activities done in the name or for the benefit of the institution.

The President will annually designate a staff member to serve the Board and the Executive Committee as a recording secretary. The secretary will assist the Board Chair in notifying all Board members and Executive Committee members of the time, date, place, and agenda for upcoming meetings. In addition, the secretary will take minutes for all meetings of the Board and the Executive Committee and assist the Chair in circulating approved minutes to all members.

## **Article IX**

### **Meetings**

**Section 1.**     **Regular Meetings.** The Board of Trustees shall meet regularly each year on the first Tuesday of September, November, February, and April, and the last Tuesday in June.

**Section 2.**     **Special Meetings.** Special meetings may be held at the call of any two of the Chair, Vice Chair, and President, and it shall be the duty of the officers to call such special meetings on the request of five Trustees or any two of the Commissioners setting forth the objectives of the meetings.

**Section 3.**     **Advance Notice.** Advance notice of all meetings of the Board of Trustees shall be provided to each Trustee at least ten days before the date of the meeting. In the case of special meetings, which may be held on shorter notice given in any legal manner, the notice shall state the purposes of the meeting, and no business shall be transacted at such meeting that does not relate to the purposes stated unless waived by two-thirds majority of the entire Board membership.

**Section 4.**     **Waiver of Notice.** Whenever notice is required to be given under the provisions of statutes, the Charter or these By-Laws, a waiver thereof in writing signed by the persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance or participation at any meeting by a Trustee shall be conclusively deemed a waiver of notice of that meeting and the purpose stated unless objection be made thereto at such meetings.

**Section 5.**     **Quorum and Motions.** Any proportion of the Trustees then in office, but not less than one-third (1/3), shall constitute a quorum for the transaction of business at any meeting of the Board. Where a quorum is once present to organize a meeting it is not broken by the subsequent withdrawal of any of those present. A meeting may be

adjourned despite the absence of a quorum. Where there is a quorum, business may be transacted and main (primary) motions shall require a simple majority of those voting to be approved (i.e., a greater number of votes in favor than against (with any abstentions being disregarded), unless otherwise specified in these By-Laws. References in these By-Laws to “a vote of the Board (or Committee)” or a “majority vote of the Board (or Committee),” shall be deemed to refer to a simple majority vote as described in the preceding sentence. The vote required for approval of privileged, subsidiary, and incidental motions shall follow traditional procedural rules found in Robert’s Rules of Order Newly Revised (10th Edition). Robert’s Rules shall also be followed to determine if motions require a second, may be amended, and are debatable.

## **Article X**

### **Committees**

**Section 1. Standing Committees.** There shall be six standing committees as follows: Executive Committee, Educational Affairs Committee, Development Committee, Finance Committee, Facilities Committee, and Membership and Board Operations Committee. The Board Chair, in consultation with the Executive Committee, shall nominate members of the standing committees. Members of the standing committees shall be elected annually by a majority vote of the Board of Trustees in the June meeting of the Board. Terms for committee membership shall begin on July 1 of the calendar year in which members are elected and shall end the following June 30. Vacancies on committees that occur after the annual June meeting may be filled with appointments made by the Chair. Except where otherwise provided in these By-Laws, the Chair of the Board and the President of the College shall be ex officio members of all standing committees, and each standing committee shall include at least three additional Trustees. Except where otherwise provided in this Article, additional members, including persons who are not on the Board of Trustees, may be appointed. The chair of each standing committee and a majority of its members shall be Trustees.

**Section 2. Special Committees.** There may be such special or ad hoc committees as the Board of Trustees may from time to time establish for the discharge of particular duties.

**Section 3. Discontinuance of Committees.** The Board of Trustees may at any time discontinue any of its standing committees for such time as may be determined, and the duties of any committee so discontinued shall be performed during such discontinuance by the Executive Committee.

**Section 4. Staff Liaison.** The chair of any committee, with the consent of the Chair of the Board and the President, may appoint a member of the administrative staff of the College to serve as a liaison between the committee and the College. Such liaison person shall assist the committee in carrying out its duties.



**Section 5. Meetings.** The Executive Committee shall meet regularly on the third Tuesday of each month. The Finance Committee shall meet regularly during the fall, spring, and summer terms at dates and times determined by the committee chair. The Development Committee shall meet regularly during the fall, spring, and summer terms at dates and times determined by the committee chair. The Educational Affairs Committee shall meet on the second Friday of September, January, and June. The Membership and Board Operations Committee shall meet on the first Monday of October, February, and May. The Facilities Committee shall meet at least twice annually when called by the committee chair or at least two members of the committee. Additional special meetings of all committees may be called by the committee chairs or at least two members of the committees. A staff member of the College designated by the President may assist the chairs of each standing committee in providing advance notice (at least 3 days prior to the meeting) to each committee member of the date, time, and place of the meeting and a meeting agenda. The chair of each committee shall have the authority to reschedule meetings with advanced notice (at least three days prior to the scheduled meeting) in order to ensure a quorum for the meeting. A majority of the members of each committee shall constitute a quorum for the transaction of business. All committees shall report to the full Board of Trustees each time the full Board meets.

**Section 6. Executive Committee.** The Executive Committee shall be composed of all Commissioners, the Chair and Vice Chair of the Board, the Chairs of the Finance Committee and the Development Committee, and up to five additional members appointed by the Board Chair. The Board Chair shall also serve as the chair of the Executive Committee. The President shall be an ex officio member of the Executive Committee without the power to vote, and shall not be counted as a member of that committee for any purpose. Between meetings of the Board of Trustees, the Executive Committee shall carry out the duties of the Board, except that unless specifically empowered by the Board of Trustees to do so, it may not take any action inconsistent with a prior act of the Board of Trustees, award degrees, alter the By-Laws, or take any action which has been reserved by the Board. The minutes of the meetings of the Executive Committee shall be distributed promptly after each meeting to each member of the Board of Trustees. At each meeting of the Board of Trustees, the proceedings and actions taken by the Executive Committee since the last meeting of the Board shall be reported.

**Section 7. Educational Affairs Committee.** The Educational Affairs Committee shall be composed of at least six voting members from the Board of Trustees. The President and Academic Vice President shall be ex officio members of the committee without the power to vote. The Committee shall, in cooperation with the President and the Academic Vice President, study and evaluate the quality of the academic program, measure the program relative to other comparable institutions in terms of teaching load, class size, student-faculty ratios, instructional expenditures, research, creative, and institutional service activities of the faculty, faculty and staff salary ranges, and other relevant factors; formulate desirable short and long range enrollment goals; advise the Finance Committee on the specifications and requirements for financing the academic

programs, review the benefits package offered academic personnel, and make such reports and recommendations to the Board of Trustees relative to the foregoing as may be required.

**Section 8. Development Committee.** The Development Committee shall be composed of at least six voting members and the Vice President of Institutional Advancement, who will serve as a non-voting *ex officio* member. The Committee shall review and recommend fundraising programs, and report regularly to the Finance Committee and to the full Board of Trustees on the planning and outcome of fundraising activities.

**Section 9. Finance Committee.** The Finance Committee shall be composed of at least three voting members including at least a chair, a vice chair, and one other. In addition, the Vice President for Finance and Administration, who is the chief financial officer for the College, will serve as a non-voting *ex officio* member. The Committee shall oversee all financial affairs and report regularly to the Executive Committee and the Board of Trustees. The Committee will be responsible for the engagement and evaluation of the outside auditing firm. All annual operating and capital budgets shall be prepared and presented to the Board under the supervision of the Finance Committee. In the spring of each year the Finance Committee will work with the College staff in preparing a detailed projected budget for the coming year and a more general projected budget for the two years following the coming year to be presented to and approved by the Board of Trustees. Each year the Finance Committee will also review the annual certified audit for all financial operations of the College. All major financial transactions and expenditures not provided for in the budget shall receive prior approval by the Finance Committee.

**Section 10. Facilities Committee.** The Facilities Committee shall be composed of at least four voting members and the Chief Financial Officer for the College who will serve as a non-voting *ex officio* member. The Committee shall regularly review all aspects of the physical plant in terms of usage, condition, maintenance, and all other matters relating to facilities used by the College. In addition, the Committee shall report regularly to the Board and shall make recommendations regarding renovation and/or disposition of current facilities, the expansion of current facilities, and the purchase of additional facilities.

**Section 11. Membership and Board Operations Committee.** The Membership and Board Operations Committee shall be composed of at least six voting members and the Vice President for Institutional Advancement who will serve as a non-voting *ex officio* member. The Committee shall present nominations to the Board of Trustees for new Board members, officers, and Trustees Emeriti. Although these recommendations normally may occur in June of each year, they may be made any time there are Board or officer positions that need to be filled. The Committee shall furnish information relating to the background and qualifications of all such nominees, and shall do so at least two weeks in advance of the meeting in which elections are scheduled to take place. The

Committee may recommend to the Board each June the reelection of Board members and officers whose terms are ending that month. Nominations for new Board members and the reelection of current Board members must be submitted to and approved by the Commissioners prior to being submitted to the full Board for their vote.

In addition, the Committee will regularly review the operations of the Board of Trustees, will report when necessary to the Board of Trustees, and will make recommendations for improving Board operations. The Committee will also organize activities from time to time that are designed to improve Board efficiency.

## **Article XI**

### **Indemnification of Trustees and Officers**

**Section 1. Indemnification.** The Corporation shall indemnify any individual made a party to a proceeding because such individual is or was a member of the Corporation against liability incurred in the proceeding in accordance with the provisions of the Tennessee Nonprofit Corporations Act (the “Act”).

**Section 2. Suits by or in the Right of Corporation.** The Corporation shall indemnify any person who is made a party to a suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the individual is or was a Trustee or officer of the Corporation, against amounts paid in settlement and reasonable expenses, including attorney fees, actually and necessarily incurred as a result of such suit or any appeal therein, except to the extent prohibited by the Act

**Section 3. Suits or Proceedings other than by or in the Right of Corporation.** The Corporation shall indemnify any person who is made or threatened to be made a party to a suit or proceeding other than by or in the right of the Corporation to procure a judgment in its favor, whether civil or criminal, including a suit by or in the right of any other Corporation of any type or kind, domestic or foreign, which any Trustee or officer of the Corporation served in any capacity at the request of the Corporation, by reason of act that the individual was a Trustee or officer of the Corporation or served such other Corporation in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorney’s fees, actually and necessarily incurred as the result of such suit or proceedings, or any appeal therein, if such Trustee or officer acted in good faith for a purpose which she or he reasonably believed to be in the best interest of the Corporation, and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any such civil or criminal action, suit, or proceedings, by judgment settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such Trustee or officer did not act in good faith for a purpose which he or she reasonably believed to be in the best interest of the Corporation, or that she or he had reasonable cause to believe that her or his conduct was unlawful.

**Section 4. Right to Indemnification.** Any person who has been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 1 of this Article shall be entitled to indemnification as authorized in such Sections.

**Section 5. Determination of Entitlement to Indemnification.** Any indemnification under Section 1 or Section 2 of this Article to a person who has not been wholly successful, on the merits or otherwise, in the defense of a civil or criminal action of the character described in those Sections, unless ordered by a court pursuant to the statutes of the State of Tennessee, shall be made by the Corporation only if authorized in the specific case: (a) By the Board of Trustees acting by a quorum consisting of Trustees who are not parties to such action or proceeding upon a finding that the Trustee or officer has met the standard of conduct set forth in Section 1 or Section 2 of this Article, as the case maybe. (b) By the Board of Trustees upon the opinion in writing of independent legal counsel that indemnification is proper in the circumstances because the applicable standard of conduct set forth in said Sections of this Article has been met by such Trustee or officer.

**Section 6. Advancement of Expenses.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit, or proceeding, if said payment is authorized in the manner provided in Section 4 above, upon receipt of an undertaking by or on behalf of the Trustee, officer, or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation pursuant to this Article.

**Section 7. Savings Clause.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Laws, agreement, or disinterested Trustees, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Trustee, officer, or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

## **Article XII**

### **Conflicts of Interest**

A Trustee shall be considered to have a conflict of interest if (a) such Trustee has existing or potential financial or other interests which impair or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of responsibilities to the Corporation, or (b) such Trustee is aware that a member of her or his family (which for purposes of this paragraph shall be a spouse or a child) or any organization in which such Trustee (or member of his or her family) is an officer, director, employee, member, partner, trustee, or controlling stockholder, has such existing or potential financial or other interests, and/or (c) when a transaction by the Board or the Corporation creates an excess benefit to a Trustee. All Trustees shall disclose to the Board any possible conflict

of interest at the earliest practicable time and shall complete a standard conflict-of-interest disclosure form at each annual meeting in June. No Trustee shall vote on any matter, under consideration at a Board or committee meeting, in which such Trustee has a conflict of interest. The minutes of such meeting shall reflect that a disclosure was made and that the Trustee having a conflict of interest abstained from voting. Any Trustee who is uncertain whether she or he has a conflict of interest in any matter may request the Board or the Executive Committee to determine whether a conflict of interest exists, and the Board or Executive Committee shall resolve the question by majority vote. The Executive Committee each July shall monitor and assess all potential conflicts of interest and shall take appropriate actions when conflicts are discovered. Nothing in this article shall be interpreted to limit a Trustee or members of her/his family from participating in transactions with or providing services to the Corporation provided that (a) such transactions and services are in the best interest of the Corporation, and (b) no excess benefit accrues to the Trustee or members of his/her family.

### **Article XIII**

#### **Discrimination Prohibited**

In administering its affairs, the Corporation shall not discriminate against any person on the basis of race, religion, color, national or ethnic origin, sex, age, or disability. The College shall also adopt, publish, and implement a policy against all unacceptable forms of discrimination.

### **Article XIV**

#### **Amendment of By-Laws**

These By-Laws may be changed or amended at any meeting of the Trustees by a majority vote of those present, provided notice of the substance of proposed amendments is sent to all Trustees at least ten days before the meeting. Any such changed or amended By-Laws shall also be independently approved by a majority of the Commissioners and then submitted for the approval of the Attorney General of Tennessee.

By-Laws as Amended by the Board of Trustees, September 28 and November 30, 2007.

**Ellen L. Meyer**  
**President**  
**Watkins College of Art, Design & Film**

Ellen L. Meyer began her tenure as president of Watkins College of Art, Design & Film on August 1, 2008. As Watkins' new president, she brings a lifelong commitment to and investment in the arts and art education. Ms. Meyer previously served as president of Atlanta College of Art for fourteen years with many accomplishments to her credit. Under her leadership, Atlanta College of Art secured fiscal stability, improved facilities and equipment, and achieved academic strength. Several important initiatives in the areas of interdisciplinary study, diversity, international recruitment, and technological advancement were implemented. She led a \$15 million facilities expansion, initiated a \$4 million technology campaign for art and design education, and fostered strategic alliances with national and international organizations.

Earlier in her career, Ms. Meyer was Director of Continuing Education and Special Programs at Rhode Island School of Design and Vice President of Marketing and Extension at Minneapolis College of Art and Design. Her wide and varied experience in the arts, art education, and arts management also includes five years as a practicing ceramist, instructor in art history, college gallery director, director of a ceramics program for the National Parks Service, and researcher and lecturer at the Smithsonian Institution. President Meyer has conceived, developed and managed more than seventy-five special programs and symposia in art and design, architecture, and community planning. She received both Bachelor and Master of Arts degrees from The George Washington University, pursued additional graduate studies at the Visual Art Center, Antioch University, and received a Leadership in Public Policy Certificate from the Hubert H. Humphrey Institute of Public Affairs, University of Minnesota. Recently, she completed coursework in the Executive Education program at the School of Management, Georgia Institute of Technology.

President Meyer is an active member of the art, design and business communities regionally and nationally. She has served on the Commission on Accreditation for the National Association of Schools of Art and Design, on the Board of Trustees for the Association of Independent Colleges of Art and Design, as chair of the Board of Directors of the Atlanta Regional Council for Higher Education, on the Board of Trustees of the John C. Campbell Folk School, on the Board of Trustees of the Midtown Alliance in Atlanta, and on selection panels for the Art-in-Architecture Program of the U.S. Government's General Services Administration.

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ellen l meyer

## Experience

### **Watkins College of Art, Design & Film**

#### **President**

*2008 to present*

- Provide educational and administrative leadership for all affairs of the institution.

### **Atlanta College of Art, Atlanta, GA**

#### **President**

*1992 to 2006, on sabbatical through December 2007*

- As chief executive officer responsible to a 45-member Board of Directors, led the planning, organization, direction and representation of Atlanta College of Art, a nationally recognized institution of art and design. Responsible for all academic, administrative and fiscal matters of an \$11.5 million organization with 350 baccalaureate students and 2000 community education students. Direct reports included vice presidents of academic affairs, business affairs, institutional advancement, enrollment management and student affairs, as well as the gallery director. Oversaw 125 full- and part-time faculty and staff and community education faculty. Served on the senior leadership team of an \$85 million arts center that, in addition to the college, included the High Museum of Art, Atlanta Symphony Orchestra and Alliance Theatre.
- Transformed an institution with an operational deficit to one with annual surpluses through increased revenue streams and improved management systems. In 2006, completed the twelfth year with a surplus.
- Led the building and funding of a \$15 million Renzo Piano-designed residence hall, sculpture building and student life piazza. Renovated the library, studios, classrooms, art galleries, cafeteria and offices.
- Restructured the curriculum to ensure that students were grounded in concepts and processes and knowledgeable in technological innovation. Initiated and completed a \$4 million campaign to develop the College's technology infrastructure in the degree program and community education.
- Established strategic initiatives within the realms of diversity, globalism, interdisciplinary exploration and technology. Reorganized planning efforts to facilitate change and strengthen communication.
- Enhanced the classroom experience through US travel, securing fully funded airfare for students and faculty. Also achieved funded airfare for professional development, curricular research and student recruitment.
- Fostered strategic alliances with organizations including Samsung Art and Design Institute in Korea, University of the Arts in Berlin, San Francisco Museum of Modern Art, National Black Arts Festival, Atlanta Symphony Orchestra and George Lucas' Industrial Light & Magic.

### **Rhode Island School of Design, Providence, RI**

#### **Director, Continuing Education and Special Programs**

*1989 to 1992*

- Oversaw the planning, marketing and administration of part-time credit and non-credit programs including a Master of Arts in Education, residential pre-college program, summer school, certificate programs in interior design and advertising design, an associate's degree program in culinary arts and continuing education courses in fine arts, design, architecture and crafts. Initiated, planned and directed professional conferences for industry and advanced graphic design workshops. Developed and administered an operating budget of \$2 million with 20 professional full- and part-time staff and 250 part-time faculty. Counseled and supported a part-time student body of 4,300. Increased communication and collaboration with the full-time Bachelor and Master of Arts administration and department chairs. Significantly improved the quality of the faculty.

ellen l meyer

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### **Minneapolis College of Art and Design, Minneapolis, MN**

**Vice President, Marketing and Extension**

**Dean, Continuing Studies**

**Director, Extension Programs and Summer School**

*1979 to 1989*

- Directed the analysis, planning, integration and evaluation of continuing studies, summer school, exhibitions, alumni relations, public relations and development. Supervised eight staff and 75-100 faculty and lecturers each year. Changed the continuing studies program from a technical orientation to an interdisciplinary and humanistic one, resulting in an increase in enrollment from 840 to 2500. Focused and developed the exhibition program as a regionally unique experimental forum in art and design. Restructured the annual scholarship drive, increasing gifts and improving communications with the business community, alumni and parents of students. Redirected public relations strategies based on research of target audiences for degree and non-degree programs, increasing news coverage by 100 percent.

### **National Building Museum, Washington, DC**

**Consultant**

*1987 to 1989 (on sabbatical leave from Minneapolis College of Art and Design a week to a month at a time)*

- Founded and directed “Design Wise,” a graphic, product and architectural design initiative and the keystone of the museum’s education program. Awarded significant funds from the National Endowment for the Arts.

### **National Park Service, Washington, DC**

**Director, Ceramics Program, Anacostia Park**

*1977 to 1979*

- Created, proposed, designed, implemented and promoted an inner-city ceramics program. Taught classes to 200 adults and children weekly. Provided art classes for selected schools in the District of Columbia.

### **Ceramics By Design, Washington, DC**

**Principal**

*1974 to 1979*

- Established an independent studio and business as a ceramist. Taught ceramics workshops at the University of Delaware and Smithsonian American Art Museum and art history survey at Northern Virginia Community College.

### **Johnson State College, Johnson, VT**

**Instructor in Art History and Gallery Director**

*1973 to 1974 (one-year appointment)*

- Taught Visual Experience, 19th Century Art, 20th Century Art, Seminar in Dada and Surrealism, and Principals and Practices of Museum Work. Administered the college gallery and wrote catalogs and publicity materials. Directed the establishment of the Johnson Historical Collection in the town of Johnson.

### **Smithsonian Institution, Washington, DC**

**Archives of American Art**

**Manuscript Assistant**

*1972 to 1973*

- Evaluated and catalogued archival materials.

### **Smithsonian Institution, Washington, DC**

**Smithsonian American Art Museum**

**Museum Intern, Office of Twentieth-Century Art and Office of Educational Programs**

*1970 to 1972*

- Conducted research in 19<sup>th</sup> and 20<sup>th</sup> century art, taught college classes and led special exhibition tours.



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## Special Programs

**Conceived and directed special programs demonstrating the interaction of art, architecture and design with social issues, public affairs and culture, including:**

- Cities: An Urban Overview
- Parallels, a cross-cultural dialog and exhibition with German artists Dieter Appelt, Georg Baselitz, Lothar Baumgarten, Christiane Möbus and Katharina Sieverding
- The Artistic Vision: Personal Viewpoints
- Steelcase: Creating an Understanding of Design for Corporate Leadership
- The Future of Housing
- Women, Art and Society: Contemporary Themes
- The Nouvelle Disco: Art in Popular Culture
- The Artist in Today's China: Conflict and Change
- Static: New Images with the Computer
- The Problem with Postmodernism
- Sculptors and Landscape Architects Exploring Interdisciplinary Alternatives in Environmental Design
- Travel: The Dynamics of Urban Style/Chicago and Washington, DC
- The Power of Art: The Language of Images
- A History of Graphic Design
- Music Videos: The Avant-Garde Legacy
- Inside British Design: An Exhibition, Symposium and Travel Tour
- Expressionism: The Persistence of the Intuitive
- A Print Collector's Primer
- The American Landscape: Conflicts of Culture and Design
- Performance Art: A History in Progress

## Board Memberships and Advisory Committees

### **Selected Current and Former Service**

- National Association of Schools of Art and Design, Commission on Accreditation
- Association of Independent Colleges of Art and Design, Board of Trustees: Executive Committee, Communications Committee Chair, Public Policy Committee
- Midtown Alliance (Atlanta), Board of Trustees
- Atlanta Regional Council for Higher Education, Board of Directors: Chair, Vice Chair, Executive Committee, Nominating Committee Chair, Government Relations Committee
- John C. Campbell Folk School (Brasstown, NC), Board of Trustees
- Atlanta Public Art Legacy Advisory Committee
- The Hambidge Center for Creative Arts and Sciences (Dillard, GA), Advisory Board
- National Black Arts Festival, Board of Directors
- International Women's Forum, Georgia Chapter, Member
- Rotary Club of Atlanta, Member

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- Metropolitan Atlanta Arts Fund, Advisory Board, Executive Committee
- Metro Atlanta Chamber of Commerce, Industries of the Mind, Steering Committee
- Arts & Business Council (Atlanta), Board of Directors
- Fulton County Arts Council (Georgia), Public Art Advisory Committee
- Cultural Olympiad (Atlanta): Visual Arts Advisory Committee, Panel for Design Guidelines and Graphic Identity, Olympic Cauldron Commission Advisory Committee
- General Services Administration (US Government), Art-in-Architecture Program, Selection Panels
- National Endowment for the Arts, Arts in Education Program, Advisory Panel
- Mid-America College Art Association, Board of Directors: President, Vice President, Executive Committee

## Professional Activities

### Selected Honors, Presentations and Consultancies

- Consultant, Financial Aid Services, Inc., Atlanta, 2007.
- Presidential Appointee, Commission on Accreditation, National Association of Schools of Art and Design, 2006.
- Juror, International Design Competition Honoring Ambassador Andrew Young, 2004-2005.
- Leading Lady Award, 2003. Presented by 7 Stages Theatre, Atlanta.
- The Lexus Leader of the Arts, 2000. Honored by Public Broadcasting Atlanta.
- Georgia Woman in the Arts, 1997. Recognized by the State of Georgia, "Achievement by Georgia Women in the Visual Arts."
- European League of Institutes of the Arts Symposium, London, 2005. One of 65 international presidents and deans invited to discuss cultural leadership in arts education.
- Oxford International Roundtable on Educational Policy, Oxford University, 1999. One of 25 university and college presidents worldwide invited to address performance and accountability, access and expansion and global challenges of technological innovations.
- Venice Biennale, Associated symposium, "The Cardinal Points of Art," Venice 1993. Speaker.
- The Alliance for Public Technology and the Center for Advanced Telecommunications Technology Symposium, "A Digital Stream Runs Through It: Social, Educational and Economic Development in Georgia," Atlanta, 1999. Honorary host and participant.
- National Association of Schools of Art and Design Annual Meetings, 1992, 1995, 1998. Speaker.
- San Francisco Art Institute, Evaluator for the renewal of accreditation, National Association of Schools of Art and Design, 2000.
- Kendall College of Art and Design (Grand Rapids, Michigan), Evaluator for the renewal of accreditation, National Association of Schools of Art and Design, 1998.
- Art Center College of Art and Design (Los Angeles), Evaluator for the renewal of accreditation, National Association of Schools of Art and Design, 1997.
- Art Institute of Boston, Evaluator for original accreditation, New England Association of Schools and Colleges, 1996.
- School of Visual Arts (New York), Site visitor for license to operate in the State of Georgia as a comprehensive, independent college of art, 1993.

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## Education

- **The George Washington University, Washington, DC**  
Art History and Theory  
Bachelor of Arts  
1970
- **The George Washington University, Washington, DC**  
Art History and Theory  
Master of Arts  
1974
- **Antioch University, Columbia, MD**  
Visual Art Center  
Ceramics  
Graduate Studies  
1977 to 1979
- **University of Minnesota, Minneapolis, MN**  
Hubert H. Humphrey Institute of Public Affairs  
Leadership in Public Policy  
Certificate (one-year program)  
1985
- **Leadership Atlanta, Atlanta, GA**  
Certificate (one-year program)  
1994
- **The Georgia Institute of Technology, Atlanta, GA**  
College of Management, Executive Education  
Advanced Leadership  
Certificate (multi-year program)  
2007  
Strategic Innovation to Drive Organic Growth  
Strategic Execution: The Most Critical Leadership Competency  
Marketing Strategies: Building Brands and Driving Sales  
Negotiation Skills: Conflict Resolution and Influencing Others  
The Art & Science of Leadership  
**Executive Program in Global Business**  
Certificate  
2007  
**Finance and Accounting**  
Certificate  
2007
- **Emory University, Atlanta, GA**  
Goizueta Business School, Executive Development and  
**Georgia State University, Atlanta, GA**  
Andrew Young School of Policy Studies  
Executive Leadership Program for Nonprofit Organizations  
Certificate  
2007

**Operational Policies  
and  
Guidelines Manual**

**For**

**Watkins College  
Of  
Art, Design & Film**

**2009**

## **CONFLICT OF INTEREST – GUIDELINE # 7.6**

### **GUIDELINE:**

Watkins expects employees, commissioners, and trustees to scrupulously avoid any conflict, direct or indirect, between their own respective individual, professional or business interests and the interests of Watkins or its clients.

### **PROCEDURES:**

1. A conflict of interest exists if an employee, commissioner, or trustee:
  - Seeks or obtains for benefit or advantage, except in conformity with Watkins policy, anything of more than nominal value that would not normally be available to him or her.
  - Uses or makes available for his or her benefit or advantage, except in conformity with Watkins policy, the property, equipment, records, services, name, emblem, or endorsement of the College.
  - Uses his or her affiliation with Watkins to promote partisan politics, denominational religious matters or positions on issues that are not in conformity with Watkins policy.
  - Participates in any other activity or affiliation between the employee or Watkins which could compromise the institution.
2. While individual employees are encouraged to be politically involved as responsible citizens, Watkins takes a non-partisan role relating to political issues and unequivocally forbids the use of its funds for the support of political parties or candidates. No employee is authorized to make or approve such a contribution on behalf of the organization.
3. All persons associated with Watkins College are responsible for taking initiatives to explore any potential conflict to the point of reasonable clarity.

**WATKINS COLLEGE OF ART & DESIGN**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION**

**JUNE 30, 2009 AND 2008**

# WATKINS COLLEGE OF ART & DESIGN

## Table of Contents

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT .....	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position .....	3
Statements of Activities .....	4 - 5
Statements of Cash Flows .....	6 - 7
Notes to Financial Statements .....	8 - 22
SUPPLEMENTAL INFORMATION	
Schedule of Expenses .....	23 - 24
Schedule of Expenditures of Federal Awards .....	25
OTHER REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	26 - 27
Independent Auditors' Report on Compliance with Requirements Applicable to the Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	28 - 29
Schedule of Findings and Questioned Costs .....	30 - 31
Summary Schedule of Prior Audit Findings .....	32 - 33



## Independent Auditors' Report

The Board of Trustees  
Watkins College of Art & Design  
Nashville, Tennessee

We have audited the accompanying statements of financial position of Watkins College of Art & Design (the "College") as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Watkins College of Art & Design as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note J to the financial statements, the College adopted FASB Staff Position (FSP) No. FAS 117-1 *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*, which changed its method of accounting for net assets effective July 1, 2007.



The Board of Trustees  
Watkins College of Art & Design

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2009, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Watkins College of Art & Design taken as a whole. The accompanying schedules of expenses and schedule of expenditures of federal awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Crosslin & Associates, P.C.*

Nashville, Tennessee  
September 24, 2009

WATKINS COLLEGE OF ART & DESIGN  
STATEMENTS OF FINANCIAL POSITION

ASSETS

	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,223,887	\$ 829,279
Funds whose use is limited (Note G)	-	1,146,632
Investments (Note D)	1,699,645	1,460,443
Tuition and other receivables, net	199,758	127,653
Contributions receivable (Note E)	497,333	1,001,500
Prepaid expenses and inventory	54,365	77,287
Property and equipment, net (Note F)	8,198,664	7,301,185
Art collections	453,060	452,560
Other	<u>32,972</u>	<u>34,774</u>
Total assets	<u>\$12,359,684</u>	<u>\$12,431,313</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 98,202	\$ 324,673
Accrued expenses	237,411	215,172
Deferred tuition revenue	87,619	93,279
Notes payable (Note G)	<u>3,768,166</u>	<u>3,913,555</u>
Total liabilities	<u>4,191,398</u>	<u>4,546,679</u>

Commitments and contingencies (Notes G, H, K and L)

NET ASSETS

		<u>(As Restated)</u>
Unrestricted	5,860,539	5,695,788
Temporarily restricted (Note I and J)	1,005,874	916,973
Permanently restricted (Note I and J)	<u>1,301,873</u>	<u>1,271,873</u>
Total net assets	<u>8,168,286</u>	<u>7,884,634</u>
Total liabilities and net assets	<u>\$12,359,684</u>	<u>\$12,431,313</u>

See accompanying notes to financial statements.

WATKINS COLLEGE OF ART & DESIGN  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2009 AND 2008

	2009			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Tuition and fees, net of scholarships of \$455,746 and \$382,198 for 2009 and 2008, respectively	\$ 4,692,763	\$ -	\$ -	\$ 4,692,763
Gifts, grants and fundraising	365,682	472,520	-	838,202
Investment losses, net	( 119,454)	( 190,262)	-	( 309,716)
Interest and dividends	62,148	-	-	62,148
Auxiliary enterprises (Note M)	484,425	-	-	484,425
Miscellaneous	44,403	-	-	44,403
Change in value of interest rate swaps (Note G)	( 78,222)	-	-	( 78,222)
Reclassifications	-	( 30,000)	30,000	-
Net assets released from restrictions	<u>163,357</u>	<u>( 163,357)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>5,615,102</u>	<u>88,901</u>	<u>30,000</u>	<u>5,734,003</u>
<b>EXPENSES</b>				
Instructional	2,728,474	-	-	2,728,474
Academic support	1,031,403	-	-	1,031,403
Institutional support	1,052,407	-	-	1,052,407
Auxiliary enterprises	351,869	-	-	351,869
Institutional advancement	<u>286,198</u>	<u>-</u>	<u>-</u>	<u>286,198</u>
Total expenses	<u>5,450,351</u>	<u>-</u>	<u>-</u>	<u>5,450,351</u>
Increase in net assets before effect of adoption of FSP No. FAS 117-1	164,751	88,901	30,000	283,652
Effective adoption of FSP No. FAS 117 -1 (Note J)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	164,751	88,901	30,000	283,652
Net assets at beginning of year	<u>5,695,788</u>	<u>916,973</u>	<u>1,271,873</u>	<u>7,884,634</u>
Net assets at end of year	<u>\$ 5,860,539</u>	<u>\$1,005,874</u>	<u>\$1,301,873</u>	<u>\$ 8,168,286</u>

2008 (As Restated)			
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 4,296,662	\$ -	\$ -	\$ 4,296,662
454,845	433,025	562,547	1,450,417
( 5,820)	(167,187)	-	( 173,007)
120,760	-	-	120,760
376,044	-	-	376,044
6,339	-	-	6,339
( 40,559)	-	-	( 40,559)
( 14,161)	( 7,082)	21,243	-
<u>181,385</u>	<u>(181,385)</u>	<u>-</u>	<u>-</u>
<u>5,375,495</u>	<u>77,371</u>	<u>583,790</u>	<u>6,036,656</u>
2,632,261	-	-	2,632,261
883,867	-	-	883,867
966,627	-	-	966,627
331,658	-	-	331,658
<u>281,085</u>	<u>-</u>	<u>-</u>	<u>281,085</u>
<u>5,095,498</u>	<u>-</u>	<u>-</u>	<u>5,095,498</u>
279,997	77,371	583,790	941,158
( 420,692)	<u>420,692</u>	<u>-</u>	<u>-</u>
( 140,695)	498,063	583,790	941,158
<u>5,836,483</u>	<u>418,910</u>	<u>688,083</u>	<u>6,943,476</u>
<u>\$ 5,695,788</u>	<u>\$ 916,973</u>	<u>\$1,271,873</u>	<u>\$ 7,884,634</u>

See accompanying notes to financial statements.

WATKINS COLLEGE OF ART & DESIGN  
STATEMENTS OF CASH FLOWS

	<u>Year Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 283,652	\$ 941,158
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	389,279	338,828
Loss on investments	309,716	173,007
Change in value of interest rate swaps	78,222	40,559
Gifts of fixed assets and art	-	( 10,646)
(Increase) decrease in:		
Tuition and other receivables, net	( 72,105)	( 35,193)
Contributions receivable	5,000	5,000
Prepaid expenses and inventory	22,922	( 16,104)
Other	-	550
Increase (decrease) in:		
Accounts payable	( 226,471)	230,789
Accrued expenses	22,239	39,354
Deferred revenue	( 5,660)	( 15,312)
Contributions restricted for long-term investment	( 442,520)	( 995,547)
Total adjustments	<u>80,622</u>	<u>( 244,715)</u>
Net cash provided by operating activities	<u>364,274</u>	<u>696,443</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,285,456)	(1,454,325)
Purchase of investments	( 555,080)	( 294,046)
Proceeds from sales of investments	<u>6,162</u>	<u>191,544</u>
Net cash used in investing activities	<u>(1,834,374)</u>	<u>(1,556,827)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long-term investment	442,520	995,547
Decrease (increase) in contributions receivable restricted for long-term investment	499,167	( 900,000)
Proceeds from notes payable	80,159	1,900,000
Decrease (increase) in funds whose use is limited	1,146,632	(1,146,632)
Principal payments on notes payable	( 303,770)	( 169,187)
Issue costs on notes payable	<u>-</u>	<u>( 20,575)</u>
Net cash provided by financing activities	<u>1,864,708</u>	<u>659,153</u>

WATKINS COLLEGE OF ART & DESIGN  
STATEMENTS OF CASH FLOWS - Continued

	<u>Year Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
Net increase (decrease) in cash and cash equivalents	394,608	( 201,231)
Cash and cash equivalents - beginning of year	<u>829,279</u>	<u>1,030,510</u>
Cash and cash equivalents - end of year	<u>\$1,223,887</u>	<u>\$ 829,279</u>
Noncash investing and financing activities:		
Total property and equipment and art additions	\$1,285,456	\$ 1,464,971
Less:		
Gifts of fixed assets and art	<u>-</u>	<u>( 10,646)</u>
Total cash paid for property and equipment	<u>\$1,285,456</u>	<u>\$ 1,454,325</u>
Cash paid for interest	<u>\$ 140,976</u>	<u>\$ 110,376</u>

See accompanying notes to financial statements.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

A. GENERAL

Watkins Institute operates as Watkins College of Art & Design (the “College”) and is Middle Tennessee’s premier school for students aspiring to careers in fine arts, film, photography, graphic design and interior design. The College’s support is provided principally by tuition and auxiliary revenues, individual, corporate and foundation contributions, and various federal (student financial aid), state and local government grants.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The College classifies its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted, depending on the existence and nature of restrictions placed on contributions by donors.

The assets, liabilities and net assets of the College are reported as follows:

Unrestricted net assets - Includes unrestricted resources and represents expendable funds available for support of operations.

Temporarily restricted net assets - Represents donations restricted by the donor for a specified use or period of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations require that the assets be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the income earned on related investments for general or specific purposes.

The amount, if any, for each of these classes of net assets is displayed in the statement of financial position and the amount of change in each class of net assets is displayed in the statement of activities.

Support and Revenue

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions are recognized when the donor makes a promise to give to the College that is unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions.

The College reports any gifts of equipment or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service. Contributions of donated art collections are recorded at their fair value in the period received.

In the event a donor makes changes to the nature of a restricted gift, which affects its classification among the net asset categories, such amounts are reflected as reclassifications in the statement of activities.

The College also receives grant revenue from various government agencies, principally from the U.S. Department of Education. Grant revenue is provided through student financial aid programs and is reflected in the statement of activities as tuition revenue. Grant revenue, other than student financial aid, is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

Use of Estimates in the Preparation of Financial Statements

Judgment and estimation are exercised by management in certain areas of the preparation of financial statements. The more significant areas include the recovery period for buildings and equipment, the collection of receivables and the allocation of joint expenses. Management believes that such estimates have been based on reasonable assumptions and that such estimates are adequate. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks and time deposits with original maturities when purchased of three months or less.



WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

Investments are carried at fair value (generally at quoted market prices). Net realized and unrealized gains and losses are reflected in the statement of activities.

Inventory

Supplies inventory is reported at the lower of cost (first-in, first-out method) or market.

Income Taxes

The College qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes has been made in the accompanying financial statements.

Property and Equipment

Property and equipment are reported at cost, or estimated fair market value if donated, less accumulated depreciation. Depreciation is computed on the straight-line method over estimated useful lives of five to ten years for furniture and equipment, computers and film equipment, 15 years for improvements and 39 years for buildings. Expenditures for maintenance and repairs are charged to operations as incurred.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the term of the pledge. Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no conditional promises to give as of June 30, 2009 and 2008.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts represents the College administration's estimate of the amount necessary to provide for potential uncollectible accounts and pledges. Provision for uncollectible accounts is classified as a general administration expense. At June 30, 2009 and 2008, the allowance for uncollectible accounts for tuition receivables totaled \$34,526. No allowance for uncollectible contributions was considered necessary at June 30, 2009 or 2008.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred Tuition Revenue

Deferred tuition revenue represents advance tuition payments for an upcoming academic period or programs. Such amounts are recognized as revenues in the year to which the payments relate.

Derivative Instruments

The College's interest rate risk management strategy is to stabilize cash flow requirements by maintaining interest rate swap contracts to convert certain variable-rate debt to a fixed rate. Interest rate swap contracts are reported at fair value. The gain or loss on the derivatives is included as a component of the change in net assets in the period of change.

Art Collection

Additions to the College's art collections are capitalized at cost, if purchased, and at appraised or fair value on the date of the gift, if donated. Gains or losses on the disposal of collection items are classified in the statement of activities as unrestricted or temporarily restricted support depending on donor restrictions, if any, placed on the item at the time acquired.

Classification of Expenses

Expenses are classified functionally as a measure of service efforts and accomplishments. Direct expenses incurred for a single function are allocated entirely to that function. Joint expenses applicable to more than one function are allocated on the basis of objectively summarized information or management estimates.

Donated Services

Donated services that require specialized skills and would be purchased if not provided by the donor are recognized as support and expenses based on the fair value of the services received. There were no donated services recognized during fiscal years 2009 and 2008.

Advertising Costs

Advertising costs are expensed as incurred.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fair Value Measurements and Financial Instruments

Effective July 1, 2008, the College adopted SFAS No. 157, *Fair Value Measurements*, which established a framework for measuring fair value in accordance with generally accepted accounting principles (GAAP), and expands disclosures about the use of fair value measurements. The adoption of SFAS No. 157 did not have an impact on the College's financial position or changes in net assets. Assets and liabilities recorded at fair value in the statements of financial position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs, as defined by SFAS No. 157, are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The College's financial instruments consist of cash equivalents, investments, receivables, accounts payable, accrued expenses, deferred revenue, interest rate swaps and notes payable. The carrying value of cash equivalents, receivables, accounts payable, accrued expenses and deferred revenue approximate fair value because of the short maturity of these instruments. Investments are recorded at fair value using Level 1 inputs. The fair value of interest rate swaps has been estimated using Level 2 inputs as the difference between the estimated future interest payments at contractual variable rates and expected future variable rates as of June 30, 2009 and 2008, respectively, and fixed interest rates specified in the related swap agreements, discounted to present value. The recorded value of notes payable approximate fair value, as interest approximates market rates.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation. These reclassifications have no effect on previously reported results of operations or total net assets. However, the effect of adoption of FSP No. FAS 117-1 resulted in a decrease in unrestricted net assets and an increase in temporarily restricted net assets in the amount of \$420,692, effective July 1, 2007 (Note J).

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

C. CONCENTRATION OF CREDIT RISK

The College maintains cash balances, certificates of deposit, and money market accounts in high quality financial institutions at balances, which at times, may exceed federally insured limits. The College has not experienced any losses in such accounts and believes it is not exposed to any significant concentration risk on cash and cash equivalents.

At June 30, 2009 and 2008, investments with an account balance of \$1,283,893 and \$1,460,443, respectively, were managed by a brokerage and investment company. These investments are not insured by the FDIC or any other government agency and are subject to investment risk, including the loss of principal. The investments are insured by the Securities Investor Protection Corporation (SIPC), which covers a portion of investor losses, in some cases, attributable to bankruptcy or fraudulent practices of brokerage firms.

Credit risk also extends to receivables, net of allowance.

D. INVESTMENTS

Investments at fair value consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Certificates of deposit	\$ 415,752	\$ -
Money market funds	97,488	527,776
Mutual funds	1,186,405	878,616
Stocks	-	15,530
Corporate bonds	<u>-</u>	<u>38,521</u>
	<u>\$1,699,645</u>	<u>\$1,460,443</u>

Interest and dividends earned on investments owned by the College amounted to \$58,825 and \$94,722 for the years ended June 30, 2009 and 2008, respectively. This income represents yields of 3.72% and 6.33% based on the average market value of such investments for fiscal 2009 and 2008, respectively.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

E. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Temporarily and permanently restricted:		
Less than one year	\$218,417	\$ 696,500
Two to five years	<u>278,916</u>	<u>305,000</u>
	<u>\$497,333</u>	<u>\$1,001,500</u>

F. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Land and improvements	\$ 783,290	\$ 553,500
Building and improvements	7,819,343	5,856,663
Furniture and equipment	682,431	579,014
Computers	711,008	601,757
Film equipment	724,305	724,305
Construction in progress	<u>22,467</u>	<u>1,142,649</u>
	10,742,844	9,457,888
Less: accumulated depreciation	<u>( 2,544,180)</u>	<u>(2,156,703)</u>
	<u>\$ 8,198,664</u>	<u>\$ 7,301,185</u>

Depreciation expense amounted to \$387,477 and \$337,539 for the years ended June 30, 2009 and 2008, respectively. Fully depreciated assets totaled \$958,533 and \$782,702 at June 30, 2009 and 2008, respectively.

The estimated cost to complete construction in progress relating primarily to the construction of the Student Center at June 30, 2009 was approximately \$700,000. The Student Center is anticipated to be completed and placed in service during fiscal 2010.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

G. NOTES PAYABLE

Notes payable at June 30, 2009 and 2008, consisted of the following:

<u>Description</u>	<u>Remaining Maturities</u>	<u>Interest Rate</u>	<u>Outstanding Principal</u>	
			<u>2009</u>	<u>2008</u>
Notes Payable:				
Series 2005 R-1 bonds	15	4.4%	\$ 628,631	\$ 671,045
Series 2005 R-2 bonds	15	Variable (1)	1,186,211	1,301,951
Series 2007 R-1 bonds	18	Variable (2)	1,281,937	1,400,000
Turner Family Foundation	18	-	500,000	500,000
Equipment	2	-	<u>52,606</u>	<u>-</u>
			3,649,385	3,872,996
Interest rate swaps			<u>118,781</u>	<u>40,559</u>
		Total notes payable	<u>\$3,768,166</u>	<u>\$3,913,555</u>

(1) 1.74% at June 30, 2009

(2) 1.42% at June 30, 2009

During fiscal 2005, the Series 2005 R-1 and R-2 bonds were issued by the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee. The College issued two notes payable to SunTrust Bank collateralized by deeds of trust with assignments of certain campus facilities and fixtures. Related trust agreements require monthly principal and interest installments on the notes consistent with the underlying bond issues beginning April 1, 2005. Payments are required to be deposited with the trustee of SunTrust Bank for retirement of annual principal and interest.

During fiscal 2008, the Series 2007 R-1 bonds were issued by the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee. The College issued a note payable to SunTrust Bank collateralized by a deed of trust with assignment of campus facilities and fixtures. Bond proceeds to be used for construction of a dormitory facility were required to be maintained in a restricted cash account designated as the "Construction Account" which totaled \$1,146,632 at June 30, 2008. These funds were utilized for construction during fiscal 2009. Related trust agreements require monthly interest installments consistent with the underlying bond issues beginning February 1, 2008 and principal installments beginning September 1, 2008. Payments are required to be deposited with the trustee of SunTrust Bank for retirement of annual principal and interest.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

G. NOTES PAYABLE - Continued

Terms of the College's Series 2005 and 2007 notes payable to the bank are consistent with the underlying bond issues and contain various covenants that establish certain financial ratios that must be achieved. The College was in compliance with these financial ratios at June 30, 2009. The bond issues are subject to mandatory redemption in full on the occurrence of a "Determination of Taxability." The bonds will be redeemed at a redemption price equal to 100% of the outstanding principal amount thereof, plus interest and prepayment premium.

During fiscal 2008, the College entered into interest rate swap agreements with SunTrust Bank having original notional principal amounts of \$1,100,000 and \$700,000 to reduce or eliminate the risk associated with debt interest rate fluctuations on portions of the Series 2007 and 2005 notes payable, respectively. The College does not engage in trading these derivatives. The financial instruments are used to manage interest rate risk. The notional principal amounts are being amortized over the life of the agreements and at June 30, 2009, the remaining principal amounts totaled \$1,054,167 and \$611,260 for the Series 2007 and 2005 notes, respectively. The interest rate swap agreements provide for the College to pay a fixed monthly interest rate of 5.17% and 4.98% expiring January 2023 and 2013, respectively.

Gains or losses on the derivatives are included as a component of the change in unrestricted net assets in the statement of activities. The College's interest rate risk management strategy is to stabilize cash flow requirements by maintaining the interest rate swap contracts to convert certain variable-rate debt to fixed rate. The combined fair value of the derivatives at June 30, 2009 and 2008 was (\$118,781) and (\$40,559), respectively.

During fiscal 2008, the James Stephen Turner Family Foundation (JSTFF) made a contingent loan of \$500,000 to the College for the construction of a school dormitory, at an interest-free rate, due in 20 years, contingent on the College obtaining additional financing free of any guarantee from JSTFF for the balance of the funds necessary to build the dormitory, and JSTFF obtaining a secondary lien on the dormitory assets. The College was successful in obtaining the required financing in the form of the Series 2007 R-1 bonds. The JSTFF loan will be forgiven if the College successfully completes the repayment of the additional financing secured.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

G. NOTES PAYABLE - Continued

Principal maturities due on the notes payable, by year, as of June 30, 2009 are as follows:

2010	\$ 256,209
2011	259,162
2012	234,508
2013	236,717
2014	239,027
Thereafter	<u>2,423,762</u>
	<u>\$3,649,385</u>

H. LEASES

The College leases certain equipment under various noncancelable operating leases. Rental expense for the years ended June 30, 2009 and 2008, totaled \$66,357 and \$123,849, respectively. Future minimum lease payments required under all noncancelable operating leases that have remaining terms in excess of one year as of June 30, 2009, are:

<u>Year ending June 30,</u>	<u>Amount</u>
2010	\$ 59,592
2011	53,736
2012	42,024
2013	42,024
2014	<u>11,219</u>
Total	<u>\$208,595</u>



WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

I. NET ASSETS AND NET ASSETS RELEASED FROM RESTRICTIONS

Restricted net assets consist of the following at June 30:

	<u>2009</u>	2008 (As Restated)
Temporarily restricted:		
Capital campaign	\$ 891,764	\$601,500
Film program	-	1,950
Youth art program	20,000	30,000
Art program	30,867	22,367
Interior design program	-	7,651
Accumulated net investment gains on the College's endowment funds	<u>63,243</u>	<u>253,505</u>
Total	<u>\$1,005,874</u>	<u>\$916,973</u>
Permanently restricted:		
General endowment fund	\$1,104,495	\$1,104,495
Reed scholarship fund	83,790	83,790
Youth art program	105,000	75,000
Currey fund	<u>8,588</u>	<u>8,588</u>
Total	<u>\$1,301,873</u>	<u>\$1,271,873</u>

Income earned on the general endowment fund is unrestricted in purpose and available for use in the general operations of the College upon appropriation for expenditure. Income earned on the Youth Art program is restricted for scholarships. Income earned on the Currey fund is restricted for funding the annual student art show.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:

	<u>2009</u>	<u>2008</u>
Building and equipment acquisitions	\$152,256	\$38,000
Film program	1,950	-
Art program	1,500	1,500
Interior design program	7,651	1,750
Operations	<u>-</u>	<u>140,135</u>
	<u>\$163,357</u>	<u>\$181,385</u>

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

J. ENDOWMENT

The College's endowment consists of individual donor-restricted funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In August 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position (FSP) No. FAS 117-1, *Endowments of Not for Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (FSP No. FAS 117-1). FSP No. FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The State of Tennessee's State Uniform Prudent Management of Institutional Funds Act (SUPMIFA) became effective July 1, 2007. FSP No. FAS 117-1 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated funds functioning as endowment) whether or not the organization is subject to UPMIFA.

***Interpretation of Relevant Law***

The Board of Trustees of Watkins College of Art & Design has interpreted the applicable state laws as requiring the preservation of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the College classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the College in a manner consistent with the standard of prudence prescribed by applicable state laws. In accordance with applicable state laws, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the College and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the College
- The investment policies of the College

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

J. ENDOWMENT - Continued

*Changes in Endowment Net Assets*

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
<i>Endowment net assets,</i> June 30, 2007	\$ 420,692	\$ -	\$ 688,083	\$ 1,108,775
Effect of adoption of FSP No. FAS 117-1	<u>(420,692)</u>	<u>420,692</u>	<u>-</u>	<u>-</u>
<i>Endowment net assets after</i> <i>reclassification</i>	-	420,692	688,083	1,108,775
Investment return:				
Investment income	-	29,040	-	29,040
Net depreciation (realized and unrealized)	<u>-</u>	<u>(167,187)</u>	<u>-</u>	<u>( 167,187)</u>
Total investment return	<u>-</u>	<u>(138,147)</u>	<u>-</u>	<u>( 138,147)</u>
Contributions	<u>-</u>	<u>-</u>	<u>562,547</u>	<u>562,547</u>
Appropriation of endowment assets for expenditure	-	( 29,040)	-	( 29,040)
Reclassifications	<u>-</u>	<u>-</u>	<u>21,243</u>	<u>21,243</u>
<i>Endowment net assets,</i> June 30, 2008	<u>-</u>	<u>253,505</u>	<u>1,271,873</u>	<u>1,525,378</u>
Investment return:				
Investment income	-	32,461	-	32,461
Net depreciation (realized and unrealized)	<u>(112,908)</u>	<u>(190,262)</u>	<u>-</u>	<u>( 303,170)</u>
Total investment return	<u>(112,908)</u>	<u>(157,801)</u>	<u>-</u>	<u>( 270,709)</u>
Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Appropriation of endowment assets for expenditure	-	( 32,461)	-	( 32,461)
Reclassifications	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
<i>Endowment net assets,</i> June 30, 2009	<u>\$(112,908)</u>	<u>\$ 63,243</u>	<u>\$1,301,873</u>	<u>\$ 1,252,208</u>

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

J. ENDOWMENT - Continued

***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the applicable state law requires the College to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. At June 30, 2009, the fair value of certain endowment funds was less than the original gifts by \$112,908.

***Return Objectives and Risk Parameters***

The College has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the College must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of selected markets and comparative indices such as the S&P 500, Wilshire 5000 and the MSCI EAFE Index, while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The College targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The College's current policy of appropriating for distribution annually from its endowment fund is at the discretion of the Board of Trustees, based on each year's institutional objectives. In establishing this policy, the College considered the long-term expected return on its endowment. The College's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

WATKINS COLLEGE OF ART & DESIGN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009 AND 2008

K. RETIREMENT PLAN

The College sponsors a defined contribution retirement plan (Section 403b through TIAA/CREF) covering substantially all employees. The College matches employee contributions up to a maximum of 6% of eligible compensation. Employer contributions for the years ended June 30, 2009 and 2008, totaled \$92,693 and \$92,760, respectively.

L. GRANTS

The College receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for potential reimbursements to grantors.

M. AUXILIARY ENTERPRISES

The College generates revenues from certain other enterprises such as student housing which amounted to \$484,425 and \$376,044 of auxiliary enterprises revenues for fiscal 2009 and 2008, respectively.

N. FUND-RAISING COSTS

For fiscal years ended June 30, 2009 and 2008, expenses totaling approximately \$215,000 and \$210,800, respectively, were related to fund-raising activities and are classified in the statements of activities under institutional advancement.

O. SUBSEQUENT EVENTS

The College has evaluated subsequent events through September 24, 2009, the date the financial statements were issued, and have determined that there are no subsequent events that require disclosure.

## **SUPPLEMENTAL INFORMATION**

WATKINS COLLEGE OF ART & DESIGN  
SCHEDULE OF EXPENSES  
YEAR ENDED JUNE 30, 2009

	<u>Instructional</u>	<u>Academic Support</u>	<u>Institutional Support</u>	<u>Auxiliary</u>	<u>Institutional Advancement</u>	<u>Total</u>
Salaries	\$1,533,020	\$ 423,790	\$546,060	\$15,753	\$173,400	\$2,692,023
Fringe benefits	<u>304,218</u>	<u>113,002</u>	<u>101,400</u>	<u>3,942</u>	<u>36,540</u>	<u>559,102</u>
Total payroll and related expense	1,837,238	536,792	647,460	19,695	209,940	3,251,125
Accreditation	3,250	19,452	4,126	-	-	26,828
Advertising	23,632	113,475	216	-	-	137,323
Bad debt	-	-	29,120	-	-	29,120
Bank fees	-	4,532	24,951	-	-	29,483
Communications	2,580	7,483	16,657	40,893	-	67,613
Contract payments	24,448	12,167	14,233	34,880	-	85,728
Copy expense	-	-	27,432	-	-	27,432
Repairs and maintenance	47,619	4,735	4,317	6,709	-	63,380
Graduation	120	8,968	-	-	-	9,088
Insurance	-	-	38,638	-	-	38,638
Interest	-	-	49,083	91,893	-	140,976
Property and equipment rental	30,744	-	8,552	-	-	39,296
Professional expense	-	-	18,350	-	-	18,350
Library	-	31,970	-	-	-	31,970
Meetings	2,851	7,354	5,057	-	37,712	52,974
Memberships	9,051	4,765	4,002	-	1,512	19,330
Miscellaneous	-	9,362	4,865	-	3,790	18,017
Models	3,907	-	-	-	-	3,907
Postage	3,687	4,651	32,066	-	1,821	42,225
Program events	38,235	15,325	11,940	-	16,939	82,439
Publications	20,312	78,198	-	-	-	98,510
Service contracts	40,069	8,885	10,275	12,277	3,737	75,243
Supplies	206,270	29,917	35,208	1,027	7,067	279,489
Training	13,900	7,559	1,146	-	2,475	25,080
Travel	13,999	36,112	4,073	-	619	54,803
Utilities	109,299	13,662	13,662	44,573	-	181,196
Work study	<u>50,148</u>	<u>50,881</u>	<u>26,281</u>	<u>3,768</u>	<u>431</u>	<u>131,509</u>
Total expenses before depreciation	2,481,359	1,006,245	1,031,710	255,715	286,043	5,061,072
Depreciation and amortization	<u>247,115</u>	<u>25,158</u>	<u>20,697</u>	<u>96,154</u>	<u>155</u>	<u>389,279</u>
Total Expenses	<u>\$2,728,474</u>	<u>\$1,031,403</u>	<u>\$1,052,407</u>	<u>\$351,869</u>	<u>\$286,198</u>	<u>\$5,450,351</u>

See accompanying independent auditors' report.

WATKINS COLLEGE OF ART & DESIGN  
SCHEDULE OF EXPENSES  
YEAR ENDED JUNE 30, 2008

	<u>Instructional</u>	<u>Academic Support</u>	<u>Institutional Support</u>	<u>Auxiliary</u>	<u>Institutional Advancement</u>	<u>Total</u>
Salaries	\$1,498,094	\$358,644	\$501,676	\$15,936	\$185,671	\$2,560,021
Fringe benefits	<u>300,293</u>	<u>99,962</u>	<u>93,428</u>	<u>3,799</u>	<u>34,808</u>	<u>532,290</u>
Total payroll and related expense	1,798,387	458,606	595,104	19,735	220,479	3,092,311
Accreditation	1,750	13,902	-	-	-	15,652
Advertising	22,231	93,020	3,816	-	-	119,067
Bad debt	-	-	16,898	-	-	16,898
Bank fees	-	-	26,593	-	-	26,593
Communications	1,704	2,305	13,832	28,895	-	46,736
Contract payments	38,757	15,361	1,882	36,620	-	92,620
Copy expense	-	-	29,292	-	-	29,292
Repairs and maintenance	44,024	4,939	4,839	5,188	-	58,990
Graduation	60	7,407	-	-	-	7,467
Insurance	-	-	29,916	598	-	30,514
Interest	-	-	76,439	33,938	-	110,377
Property and equipment rental	25,564	-	9,087	78,040	-	112,691
Professional expense	-	-	20,100	-	-	20,100
Library	-	21,633	-	-	-	21,633
Meetings	3,441	5,180	8,455	-	27,633	44,709
Memberships	6,374	3,832	6,656	-	830	17,692
Miscellaneous	190	4,512	2,465	-	2,967	10,134
Models	3,111	-	-	-	-	3,111
Postage	3,514	14,606	24,549	-	5,873	48,542
Program events	34,909	20,518	9,823	-	10,415	75,665
Publications	13,256	85,977	-	-	-	99,233
Service contracts	27,008	7,704	8,335	12,210	3,582	58,839
Supplies	199,271	20,768	37,642	5,304	4,420	267,405
Textbooks	108	-	-	-	-	108
Training	20,574	4,698	603	-	1,220	27,095
Travel	10,554	25,560	2,596	-	1,493	40,203
Utilities	99,685	12,461	-	47,659	-	159,805
Work study	<u>36,403</u>	<u>38,415</u>	<u>19,818</u>	<u>6,392</u>	<u>2,160</u>	<u>103,188</u>
Total expenses before depreciation	2,390,875	861,404	948,740	274,579	281,072	4,756,670
Depreciation and amortization	<u>241,386</u>	<u>22,463</u>	<u>17,887</u>	<u>57,079</u>	<u>13</u>	<u>338,828</u>
Total Expenses	<u>\$2,632,261</u>	<u>\$883,867</u>	<u>\$966,627</u>	<u>\$331,658</u>	<u>\$281,085</u>	<u>\$5,095,498</u>

See accompanying independent auditors' report.



WATKINS COLLEGE OF ART & DESIGN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009

	Federal CFDA <u>Number</u>	<u>Expenditures</u>
GRANT OR PROGRAM TITLE:		
U.S. Department of Education:		
*SFA Cluster:		
Federal Family Education Loans - Note A	84.032	\$ -
Federal Supplemental Educational Opportunity Grants	84.007	28,497
Federal Work-Study Program	84.033	20,293
Federal Pell Grant Program	84.063	294,348
Academic Competitiveness Grant (ACG)	84.375	<u>8,575</u>
Total U.S. Department of Education		<u>351,713</u>
 National Endowment for the Arts	 45.025	 <u>18,214</u>
 Total Expenditures of Federal Awards		 <u>\$369,927</u>

\* - Denotes a major program.

NOTE A - FEDERAL FAMILY EDUCATION LOANS

During the year ended June 30, 2009, the College processed the following amount of new loans under the Federal Family Education Loans program (which includes subsidized and unsubsidized Federal Stafford Loans and Parents' Loans for Undergraduate Students):

	<u>CFDA Number</u>	<u>Amount Authorized</u>
Federal Family Education Loans	84.032	<u>\$2,389,853</u>

NOTE B - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Watkins College of Art & Design and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.



INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Trustees  
Watkins College of Art & Design  
Nashville, Tennessee

We have audited the accompanying financial statements of Watkins College of Art & Design (the "College") as of and for the year ended June 30, 2009, and have issued our report thereon dated September 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the College in a separate letter dated September 24, 2009.

This report is intended solely for the information and use of the Board of Trustees, management of Watkins College of Art & Design and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Crosslin & Associates, P.C.*

Nashville, Tennessee  
September 24, 2009



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO THE MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

The Board of Trustees  
Watkins College of Art & Design  
Nashville, Tennessee

Compliance

We have audited the compliance of Watkins College of Art & Design (the "College") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The College's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, Watkins College of Art & Design complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Watkins College of Art & Design is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management of Watkins College of Art & Design and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Crosslin & Associates, P.C.*

Nashville, Tennessee  
September 24, 2009

WATKINS COLLEGE OF ART & DESIGN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

A. Type of auditors' report issued: Unqualified

B. Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported

C. Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

Federal Awards

D. Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported

E. Type of auditors' report issued on compliance for major programs: Unqualified

F. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ yes      X   no

WATKINS COLLEGE OF ART & DESIGN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009

I. SUMMARY OF AUDITORS' RESULTS - Continued

G. Major Programs

CFDA Number	Name of Federal Program	Amount Expended
SFA Cluster:		
84.063	Pell Grant Program	\$294,348
84.007	Supplemental Educational Opportunity Grants	\$28,497
84.033	Work-Study Program	\$20,293
84.375	Academic Competitiveness Grant (ACG)	\$8,575
84.032	Family Education Loans (\$2,389,853 new loans processed)	-

H. Threshold for Distinguishing Between Type A or Type B Programs

The threshold for distinguishing between Type A and Type B programs was \$300,000 for the year ended June 30, 2009.

I. Qualification of Auditee as a Low-Risk Auditee

Watkins College of Art & Design qualified as a low-risk auditee under applicable provisions of OMB Circular No. A-133, for the year ended June 30, 2009.

II. FINANCIAL STATEMENT FINDINGS

None reported

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported

WATKINS COLLEGE OF ART & DESIGN  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2009

***Item # CF 08-1***

Federal Student Financial Aid Cluster  
CFDA No. 84 Series  
U.S. Department of Education

Criteria

Under the FFEL program, the College must complete and return within 30 days of receipt the enrollment roster (formerly known as Student Status Confirmation Report) sent by the Department of Education. Once received, the College must update for changes in student status, report the date the enrollment status was effective, enter the new anticipated completion date, and submit the changes electronically through the batch method or the NSLDS web site.

Condition and Context

On two out of six occasions, the College did not submit the enrollment rosters to NSLDS within the required 30-day period.

Questioned Cost

None.

Cause

Administrative oversight. The College did not properly report enrollment status changes to the NSLDS for the students receiving loans under the Family Education Loan program within the required period.

Effect

The NSLDS and therefore the lenders are not properly informed on a timely basis of the students current enrollment status.

Recommendation

We recommend the College implement policies and procedures including monitoring activities to assure that information regarding enrollment status and changes in enrollment status for students who have received loans under the Family Education Loan program are properly revised, approved and submitted to the NSLDS on a timely basis.



WATKINS COLLEGE OF ART & DESIGN  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - Continued  
YEAR ENDED JUNE 30, 2009

***Item # CF 08-1***

Federal Student Financial Aid Cluster  
CFDA No. 84 Series  
U.S. Department of Education

Management's Response and Status

The above reports were submitted to NSLDS upon receipt of late notification from the Department of Education. Management agreed with the above recommendation that policies and procedures should be implemented to assure that information regarding enrollment status and changes in enrollment status for students who have received loans under the Family Education Loan program is properly revised, approved and submitted to the NSLDS on a timely basis. The implementation of these procedures enabled the College to keep up to date current information reported to the NSLDS system in a timely manner. Upon implementation of the above policies and procedures, changes in the Student's enrollment status were properly reported within required time frames. The finding was properly resolved by the College and is not a finding for the year ended June 30, 2009.

**WATKINS INSTITUTE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2009**

SCHEDULE OF REVENUES	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Tuition and fees, net of scholarships of \$455,746 and \$382,198 for 2009 and 2008, respectively	4,692,763			4,692,763	4,296,662			4,296,662
Gifts, grants and fundraising	365,682	472,520		838,202	454,845	433,025	562,547	1,450,417
Investment losses, net	(119,454)	(190,262)		(309,716)	(5,820)	(167,187)		(173,007)
Interest and dividends	62,148			62,148	120,760			120,760
Auxiliary enterprises (Includes Campus Housing)	484,425			484,425	376,044			376,044
Miscellaneous	44,403			44,403	6,339			6,339
Change in value of interest rate swaps	(78,222)			(78,222)	(40,559)			(40,559)
Reclassifications		(30,000)	30,000	-	(14,161)	(7,082)	21,243	
Net assets released from restrictions	163,357	(163,357)		-	181,385	(181,385)		
<b>Total support and revenue</b>	<b>5,615,102</b>	<b>88,901</b>	<b>30,000</b>	<b>5,734,003</b>	<b>5,375,495</b>	<b>77,371</b>	<b>583,790</b>	<b>6,036,656</b>

SCHEDULE OF EXPENSES			
Salaries	2,692,023	2,560,021	
Fringe Benefits	<u>559,102</u>	<u>532,290</u>	
Total payroll and related expense	3,251,125	3,092,311	
Accreditation	26,828	15,652	
Advertising	137,323	119,067	
Bad debt	29,120	16,898	
Bank fees	29,483	26,593	
Communications	67,613	46,736	
Contract payments	85,728	92,620	
Copy expense	27,432	29,292	
Repairs and maintenance	63,380	58,990	
Graduation	9,088	7,467	
Insurance	38,638	30,514	
Interest	140,976	110,377	
Property and equipment rental	39,296	112,691	
Professional expense	18,350	20,100	
Library	31,970	21,633	
Meetings	52,974	44,709	
Memberships	19,330	17,692	
Miscellaneous	18,017	10,134	
Models	3,907	3,111	
Postage	42,225	48,542	
Program events	82,439	75,665	
Publications	98,510	99,233	
Service contracts	75,243	58,839	
Supplies	279,489	267,513	
Training	25,080	27,095	
Travel	54,803	40,203	
Utilities	181,196	159,805	
Work study	<u>131,509</u>	<u>103,188</u>	
<b>Total expenses before depreciation</b>	<b>5,061,072</b>	<b>4,756,670</b>	
<b>Depreciation and amortization</b>	<b><u>389,279</u></b>	<b><u>338,828</u></b>	
<b>Total Expenses</b>	<b>5,450,351</b>	<b>5,095,498</b>	
<b>Change in Net Assets</b>	<b><u>283,652</u></b>	<b><u>941,158</u></b>	

# 2008-2009 HEADS Data Survey Printable Version

## GENERAL INFORMATION

For more information about completing this section, please [click here](#).

Name of Art/Design Executive/Representative to NASAD	John M Sullivan
Title of Art/Design Executive/Representative to NASAD	VPAA and Dean
Name of Institution (please do not abbreviate)	Watkins College of Art and Design
Name of Unit (please use full designation)	Watkins College of Art and Design
Street Address and/or P.O. Box	2298 Rosa L Parks Blvd
City	Nashville
State	Tennessee
Zip Code	37075 Please enter in either 5-digit (#####) or 9-digit (#####-####) format
Telephone	615-383-4848 ext. 7413 Please enter in the following format: 703-123-4567 ext. 123
Facsimile	615-383-4849 Please enter in the following format: 703-123-4567
E-Mail	jsullivan@watkins.edu

## CONFIDENTIALITY

Individual Institutional financial information provided in the survey is held in confidence by HEADS. HEADS will release non-institution specific financial data in the aggregate and subsets of the aggregate through Data Summaries and Special Reports. All other data provided may be released by institution.

## Section I: GENERAL INSTITUTIONAL INFORMATION

1. Please check all that apply:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> a. Private                   | <input type="checkbox"/> g. Research                   |
| <input type="checkbox"/> b. Public                               | <input type="checkbox"/> h. State-Supported            |
| <input type="checkbox"/> c. Proprietary                          | <input type="checkbox"/> i. State/Related              |
| <input checked="" type="checkbox"/> d. Not-for-Profit            | <input type="checkbox"/> j. Community/Junior College   |
| <input checked="" type="checkbox"/> e. Free-Standing/Independent | <input checked="" type="checkbox"/> k. Degree-Granting |
| <input type="checkbox"/> f. Land-Grant                           | <input type="checkbox"/> l. Non-Degree-Granting        |

2. What is the TOTAL institutional enrollment (number of individuals, i.e., headcount) for Fall 2008? Include only local campus, not system-wide, enrollment. (Please check only one.)

- |   |  |
|---|--|
| <input checked="" type="radio"/> a. 1 - 500 | <input type="radio"/> g. 15,001 - 20,000 |
| <input type="radio"/> b. 501 - 1,000        | <input type="radio"/> h. 20,001 - 25,000 |
| <input type="radio"/> c. 1,001 - 2,500      | <input type="radio"/> i. 25,001 - 30,000 |
| <input type="radio"/> d. 2,501 - 5,000      | <input type="radio"/> j. 30,001 - 35,000 |
| <input type="radio"/> e. 5,001 - 10,000     | <input type="radio"/> k. 35,001 - 40,000 |
| <input type="radio"/> f. 10,001 - 15,000    | <input type="radio"/> l. 40,001 plus     |

3. What is the highest program level offered IN ART/DESIGN at your institution? (Please check only one.)

- |  |   |
|--|---|
| <input type="radio"/> a. Associate Degree                | <input type="radio"/> d. Master of Fine Arts Degree |
| <input checked="" type="radio"/> b. Baccalaureate Degree | <input type="radio"/> e. Doctoral Degree            |
| <input type="radio"/> c. Master's Degree (non-MFA)       |   |

4. What is the highest program level offered IN ANY UNIT at your institution? (Please check only one.)

- |  |   |
|--|---|
| <input type="radio"/> a. Associate Degree                | <input type="radio"/> d. Master of Fine Arts Degree |
| <input checked="" type="radio"/> b. Baccalaureate Degree | <input type="radio"/> e. Doctoral Degree            |
| <input type="radio"/> c. Master's Degree (non-MFA)       |   |

5. Is your institution an accredited member of NASAD? (Please check only one.)

☒ a. Member

☐ b. Non-Member

6. Is your institution involved with either of the following during the 2008-2009 academic year? (Check all that apply. If your institution is not involved with either, please leave blank.)

☐ a. Building a new art/design facility

☒ b. Renovating the art/design facility

## Section II.A: ASSOCIATE DEGREES

For more information about completing this section, please [click here](#).

	(a) Art/Design Major Enrollment Summer 2008	(b) Art/Design Major Enrollment Fall 2008	(c) Number of Degrees Awarded to Art/Design Majors July 1, 2007 - June 30, 2008
1. <b><u>Associate of Fine Arts Degree Programs or Equivalent</u></b> (Enter only number of major students enrolled in art/design programs with at least 65% art/design content.)			
Crafts			
Design	7	11	5
Fine Arts			
Foundation/Basic Studies			
Other (please specify):			
Other (please specify):			
<b>Total (Section II.A.1 only)</b>	7	11	5

2. **Associate Degree Programs in Art Education, Art Therapy or Art/Business/Arts Administration**  
(Enter only number of major students enrolled in art/design programs with at least 50% art/design content.)

Art Education			
Art Therapy			
Art/Business/Arts Administration			
Foundation/Basic Studies			
Other (please specify):			
Other (please specify):			
<b>Total (Section II.A.2 only)</b>			

3. **Associate Liberal Arts Degree Programs in Art/Design**  
(Enter only number of major students enrolled in art/design programs with at least 30%-45% art/design content.)

Foundation/Basic Studies			
Other (please specify):			
Other (please specify):			
Other (please specify):			
<b>Total (Section II.A.3 only)</b>			

## Section II.B: BACCALAUREATE DEGREES

For more information about completing this section, please [click here](#).

(a) Art/Design Major  
Enrollment  
Summer 2008

(b) Art/Design Major  
Enrollment  
Fall 2008

(c) Number of Degrees  
Awarded to Art/Design Majors  
July 1, 2007 - June 30, 2008

1. **Bachelor of Fine Arts Degree Programs or Equivalent**

(Enter only number of major students enrolled in art/design programs with at least 65% art/design content.)

Advertising Design	_____	_____	_____
Ceramics	_____	_____	_____
Communication Design	_____	_____	_____
Crafts	_____	_____	_____
Design	_____	_____	_____
Drawing	_____	_____	_____
Environmental Design	_____	_____	_____
Fashion Design	_____	_____	_____
Fashion Illustration	_____	_____	_____
Fiber	_____	_____	_____
Film	28	128	11
Fine Arts	18	60	11
Furniture Design	_____	_____	_____
General Crafts	_____	_____	_____
Glassworking	_____	_____	_____
Graphic Design	27	71	18
Illustration	_____	_____	_____
Industrial Design	_____	_____	_____
Interior Design	20	60	12
Jewelry/Fine Metals	_____	_____	_____
Painting	_____	_____	_____
Photography	10	53	5
Printmaking	_____	_____	_____
Product Design	_____	_____	_____
Sculpture	_____	_____	_____
Textile Design/Weaving	_____	_____	_____
Theatre Design	_____	_____	_____
Video	_____	_____	_____
Foundation/Basic Studies	_____	_____	_____
Other (please specify):	_____	_____	_____
Other (please specify):	_____	_____	_____
Other (please specify):	_____	_____	_____
<b>Total (Section II.B.1 only)</b>	103	372	57

2. **Baccalaureate Degree Programs in Art/Design Education, Art Therapy, and Art/Business/Arts Administration**

(Enter only number of major students enrolled in art/design programs with at least 50% art/design content.)

Art Education	_____	_____	_____
Art Therapy	_____	_____	_____
Art/Business/Arts Administration	_____	_____	_____
Foundation/Basic Studies	_____	_____	_____
Other (please specify):	_____	_____	_____
Other (please specify):	_____	_____	_____
Other (please specify):	_____	_____	_____
<b>Total (Section II.B.2 only)</b>	_____	_____	_____

3. **Baccalaureate Liberal Arts Degree Programs in Art/Design (B.A., B.S.)**

(Enter only number of major students enrolled in art/design programs with at least 30% art/design content.)

Studio Art	4	17	0
Art History	_____	_____	_____

Museum Studies			
Foundation/Basic Studies			
Other (please specify):			
Other (please specify):			
Other (please specify):			
<b>Total (Section II.B.3 only)</b>	<b>4</b>	<b>17</b>	<b>0</b>

## Section II.C: MASTER OF ARTS OR MASTER OF SCIENCE DEGREE PROGRAMS IN ART/DESIGN

For more information about completing this section, please [click here](#).

(a) Art/Design Major Enrollment Summer 2008	(b) Art/Design Major Enrollment Fall 2008	(c) Number of Degrees Awarded to Art/Design Majors July 1, 2007 - June 30, 2008
---	---	---

### 1. Specific Initial Master's Degree Programs (M.A., or M.S.)

(Enter only **number of major students enrolled** in art/design degree programs with at least 50% art/design content.)

Studio Art and Design			
Art Therapy			
Art History and Criticism			
Museum Studies			
Art Education			
Arts Administration			
Interdisciplinary Program			
Other (please specify):			
Other (please specify):			
<b>Total (Section II.C.2 only)</b>			

## Section II.D: TERMINAL GRADUATE DEGREE PROGRAMS

For more information about completing this section, please [click here](#).

(a) Art/Design Major Enrollment Summer 2008	(b) Art/Design Major Enrollment Fall 2008	(c) Number of Degrees Awarded to Art/Design Majors July 1, 2007 - June 30, 2008
---	---	---

### 1. Master of Fine Arts Degree Programs or Equivalent

(Enter only **number of major students enrolled** in art/design degree programs requiring at least two years of full-time graduate study and course work in the major area and directly supportive courses.)

Advertising Design			
Ceramics			
Communication Design			
Crafts			
Design			
Drawing			
Environmental Design			
Fashion Design			
Fashion Illustration			
Fiber			
Film			
Fine Arts			
Furniture Design			
General Crafts			
Glassworking			
Graphic Design			

[illegible]

**Master's Degrees:**

Initial	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Terminal	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
<b>Total:</b>	<u>11</u>	<u>10</u>	_____	<u>1</u>	_____	<u>1</u>	<u>6</u>	<u>1</u>	<u>133</u>	<u>182</u>	<u>2</u>	<u>2</u>	<u>26</u> <u>25</u>

**Section III: TOTAL INSTRUCTIONAL SERVICE (IN SEMESTER CREDIT OR QUARTER HOURS)**

For more information about completing this section, please [click here](#).

**A.** What is the projected total number of semester quarter hours OR credit hours generated in art/design courses offered during the 2008-2009 academic year (excluding summer) **by non-art/design major students?**

Quarter Hours

(a)

OR

Semester Hours

(b)

0

**B.** What is the projected total number of semester quarter hours OR credit hours generated in art/design courses offered during the 2008-2009 academic year (excluding summer) **by art/design major students?**

Quarter Hours

(a)

OR

Semester Hours

(b)

8508

**C.** Total number of semester quarter hours OR credit hours generated in art/design courses offered during the 2008-2009 academic year (excluding summer).

Quarter Hours

(a)

OR

Semester Hours

(b)

8508

**D.** What is the projected number of students (nonduplicated headcount) involved in any curricular aspect of the art/design unit during the 2008-2009 academic year (excluding summer)?

400

students

**Section IV: ART/DESIGN FACULTY AND INSTRUCTIONAL STAFF**

**A. FULL TIME FACULTY: 2008-2009 DATA ONLY**

For more information about completing this section, please [click here](#).

**1. Full-Time Faculty: Male (2008-2009 Data Only)**

Check here, if appropriate:

☐ We are unable to provide faculty data by gender and are providing combined faculty data.  
**This is recorded in the "Full-Time Faculty: Male" chart only.**

CONFIDENTIALITY: Please note that salary information is released by HEADS only in the form of composite data. Salary figures provided by individual institutions are held strictly confidential. Institutions are asked to furnish complete information to ensure that all participating institutions receive true averages in the published results of this survey.

	Highest Degree Earned						Length of Service at Institution				LOWEST Individual Salary	HIGHEST Individual Salary	TOTAL Salary Expenditure	Number with Tenure
	Number	Doct.	MFA	Master Non-MFA	Bacc.	Assoc.	No Deg.	1-4 yrs.	5-9 yrs.	10+ yrs.				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
<b>Full Professors</b>	<u>3</u>	_____	<u>3</u>	_____	_____	_____	_____	<u>1</u>	_____	<u>2</u>	\$ <u>52236</u>	\$ <u>58675</u>	\$ <u>168661</u>	_____
<b>Associate Professors</b>	<u>1</u>	_____	<u>1</u>	_____	_____	_____	_____	_____	<u>1</u>	_____	\$ <u>65100</u>	\$ <u>65100</u>	\$ <u>65100</u>	_____
<b>Assistant Professors</b>	<u>6</u>	_____	<u>4</u>	<u>2</u>	_____	_____	_____	<u>5</u>	<u>1</u>	_____	\$ <u>35000</u>	\$ <u>58000</u>	\$ <u>240480</u>	_____
<b>Instructors</b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	\$ _____	\$ _____	\$ _____	_____
<b>Lecturers</b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	\$ _____	\$ _____	\$ _____	_____
<b>Unranked</b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	\$ _____	\$ _____	\$ _____	_____
<b>Visiting</b>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	\$ _____	\$ _____	\$ _____	_____
<b>Total</b>	<u>10</u>	<u>_____</u>	<u>8</u>	<u>2</u>	_____	_____	_____	<u>6</u>	<u>2</u>	<u>2</u>	_____	_____	\$ <u>474241</u>	<u>0</u>



If a tenure system does not exist, check here: ☒

2. Full-Time Faculty: Female (2008-2009 Data Only)

CONFIDENTIALITY: Please note that salary information is released by HEADS only in the form of composite data. Salary figures provided by individual institutions are held strictly confidential. Institutions are asked to furnish complete information to ensure that all participating institutions receive true averages in the published results of this survey.

	Highest Degree Earned						Length of Service at Institution				LOWEST Individual Salary	HIGHEST Individual Salary	TOTAL Salary Expenditure	Number with Tenure
	Number	Doct.	MFA	Master Non-MFA	Bacc.	Assoc.	No Deg.	1-4 yrs.	5-9 yrs.	10+ yrs.				
	(a)	(b)	(c)	(d)	(d)	(e)	(g)	(h)	(i)	(j)		(l)	(m)	(n)
Full Professors	3		3							3	\$ 39060	\$ 58800	\$ 148862	
Associate Professors	2		1	1				1		1	\$ 54600	\$ 54794	\$ 109394	
Assistant Professors	5		2	3				3	2		\$ 31000	\$ 44100	\$ 193753	
Instructors											\$	\$	\$	
Lecturers											\$	\$	\$	
Unranked											\$	\$	\$	
Visiting											\$	\$	\$	
Total	10		6	4				4	2	4			\$ 452009	0

3. Ethnic Breakdown of Full-Time Faculty

	Black or African-American Non-Hispanic/Latino		American Indian/Alaska Native		Pacific Islander		Hispanic/Latino		White Non-Hispanic/Latino		Asian		Other/Race Ethnicity Unknown	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Full Professors									3	3				
Associate Professors									1	2				
Assistant Professors									6	5				
Instructors														
Lecturers														
Unranked														
Visiting														
Total									10	10				

Section IV: ART/DESIGN FACULTY AND INSTRUCTIONAL STAFF

B. PART-TIME INSTRUCTIONAL STAFF FOR DEGREE PROGRAMS ONLY

For more information about completing this section, please [click here](#).

1. Part-Time Art/Design Instruction: Male

Check here, if appropriate: ☐ We are unable to provide faculty data by gender and are providing combined faculty data. This is recorded in the "Part-Time Faculty: Male" chart only.

(a) Actual Number of Individuals	(b) Full-Time Faculty Equivalence	(c) Total Salaries
---	--	--------------------------

i. With Faculty Status			\$	
ii. Adjunct Faculty and Teaching Associates	11	4	\$	31500
iii. Graduate Teaching Assistants/Associates			\$	

## 2. Part-Time Art/Design Instruction: Female

	(a) Actual Number of Individuals	(b) Full-Time Faculty Equivalence	(c) Total Salaries
i. With Faculty Status			\$
ii. Adjunct Faculty and Teaching Associates	16	8.66	\$ 62400
iii. Graduate Teaching Assistants/Associates			\$

### Section V: ART/DESIGN ADMINISTRATIVE PERSONNEL AND PROCEDURES

#### A. ART/DESIGN EXECUTIVE

For more information about completing this section, please [click here](#).

*Information provided in Section V.A. must not be duplicated in Section IV.A.1. or IV.A.2. of "Art/Design Faculty and Instructional Staff."*

1. Is the art/design executive appointed by the administration/Board of Trustees?

☐ No
☒ Yes

2. Is the art/design executive elected by faculty?

☒ No
☐ Yes

3. Is the art/design executive subject to formal review by faculty?

☒ No
☐ Yes

4. How often is the art/design executive subject to formal review by faculty?

Every  Years

5. What percentage (estimate) of the art/design executive's time is assigned to the following duties?  
(Percentages must total 100%. The figure is not assigned F.T.E., but actual time spent.)

a. Teaching

%

b. Research/Creative Activities

%

c. Administrative Matters

%

d. Service (to professional organizations and community)

%

e. Fundraising

%

TOTAL (Must Equal 100%)

%

6. What is the art/design executive's title?

Vice President for Academic Affairs & Dean

7. What is the art/design executive's salary for 2008-2009?  
(exclusive of benefits)

\$

8. Upon how many months is the art/design executive's salary based?

☐ 9 or 10
☒ 11 or 12

9. What is the gender of the art/design executive?

☒ Male
☐ Female

### Section V: ART/DESIGN ADMINISTRATIVE PERSONNEL AND PROCEDURES

#### B. ASSISTANT OR ASSOCIATE ART/DESIGN EXECUTIVE

*Information provided in Section V.B. must not be duplicated in Section IV.A.1. or IV.A.2. of "Art/Design Faculty and Instructional Staff." Please ensure that all individuals are counted only once.*

1. Does your institution have assistant or associate art/design executives?

☒ No
☐ Yes

If no, proceed to Section C. If yes, answer questions 2 through 6.

2. What are the titles of the assistant or associate art/design executives?

(a)

(b)

(c)

(d)

(e)

(f)

3. What percentage (estimate) of the assistant or associate art/design executive's time is assigned to the following duties? (Percentages must total 100%. The figure is not assigned F.T.E., but actual time spent.)

	(a)	(b)	(c)	(d)	(e)	(f)
a. Teaching	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
b. Research/Creative Activities	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
c. Administrative Matters	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
d. Service (to professional organizations and community)	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
e. Fundraising	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %
<b>TOTAL</b> (Must Equal 100%)	_____ %	_____ %	_____ %	_____ %	_____ %	_____ %

4. What are the assistant or associate art/design executives' salaries for 2008-2009 (exclusive of benefits)?

(a) \$ \_\_\_\_\_ (b) \$ \_\_\_\_\_ (c) \$ \_\_\_\_\_  
 (d) \$ \_\_\_\_\_ (e) \$ \_\_\_\_\_ (f) \$ \_\_\_\_\_

5. Upon how many months are the assistant or associate executives' salaries based?

	(a)	(b)	(c)	(d)	(e)	(f)
9 or 10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11 or 12	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. What is the gender of the assistant or associate art/design executives?

	(a)	(b)	(c)	(d)	(e)	(f)
Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Female	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Section V: ART/DESIGN ADMINISTRATIVE PERSONNEL AND PROCEDURES

### C. OTHER PERSONNEL ASSIGNMENTS (including student help)

For more information about completing this section, please [click here](#).

#### 1. Secretarial/Clerical Assistance

- a. How much staff time in the art/design unit is allotted for secretarial and clerical assistance? \_\_\_\_\_ **8.75** F.T.E. Units
- b. What are the total salary expenditures (**exclusive of benefits**) for secretarial and clerical assistance? \$ \_\_\_\_\_ **200650**

#### 2. Library Staff

- a. How much staff time is allotted for library personnel dealing with art/design holdings, regardless of budget source?
- Branch Art/Design Library \_\_\_\_\_ F.T.E. Units
- Main Library \_\_\_\_\_ **2.4** F.T.E. Units
- Other Library \_\_\_\_\_ F.T.E. Units
- b. What are the total salary expenditures (**exclusive of benefits**) for art/design library staff? \$ \_\_\_\_\_ **76270**

#### 3. Technical Staff

- a. How much staff time in the art/design unit is allotted for technical/production staff? \_\_\_\_\_ **6.25** F.T.E. Units
- b. What are the total salary expenditures (**exclusive of benefits**) for technical/production staff? \$ \_\_\_\_\_ **234350**

#### 4. Professional and Miscellaneous Staff

- a. How much staff time in the art/design unit is allotted for professional/miscellaneous staff? This section should include admissions staff, and all other staff not accounted for. \_\_\_\_\_ **21.2** F.T.E. Units
- b. What are the total salary expenditures (**exclusive of benefits**) for professional/miscellaneous staff? \$ \_\_\_\_\_ **1007153**

## Section VI.A: SPECIFIC INSTRUCTIONAL, OPERATIONAL AND EXHIBITION BUDGET

For more information about completing this section, please [click here](#).

**1. Instructional, Operational, and Exhibition Budget Figures Administered by the Art/Design Unit** (for the entire fiscal year related to the 2008-2009 academic year)

	<b>BUDGET 2008-2009</b>	<b>N/I</b>
a. Exhibition Expenses (sponsored by the art/design unit)	\$ <u>29900</u>	<input type="checkbox"/>
b. Faculty and Professional Travel	\$ <u>33550</u>	<input type="checkbox"/>
c. Instructional Supplies	\$ <u>129400</u>	<input type="checkbox"/>
d. Library (books, periodicals, slides, films, videos)	\$ <u>28600</u>	<input type="checkbox"/>
e. Models	\$ <u>2900</u>	<input type="checkbox"/>
f. Office Supplies	\$ <u>35100</u>	<input type="checkbox"/>
g. Operating Services	\$ <u>373200</u>	<input type="checkbox"/>
h. Postage	\$ <u>51500</u>	<input type="checkbox"/>
i. Printing/Duplication	\$ <u>74400</u>	<input type="checkbox"/>
j. Student Recruitment	\$ <u>202500</u>	<input type="checkbox"/>
k. Undergraduate Scholarships (administered by art/design unit) including tuition remission/discounts	\$ <u>543050</u>	<input type="checkbox"/>
l. Graduate Scholarships (administered by art/design unit) including fellowships/assistantships/tuition remission/discounts not already reported in a previous section	\$ <u>0</u>	<input type="checkbox"/>
m. Student Wages	\$ <u>94000</u>	<input type="checkbox"/>
n. Short-Term Visiting Artists/Lecturers, etc. (less than one semester)	\$ <u>13700</u>	<input type="checkbox"/>
o. Technical Services	\$ <u>0</u>	<input type="checkbox"/>
p. Technology Services (electronic media, software, fees, etc.)	\$ <u>0</u>	<input type="checkbox"/>
q. Telephone/Fax/Electronic Communications	\$ <u>26600</u>	<input type="checkbox"/>
r. Public Relations and Fundraising	\$ <u>30000</u>	<input type="checkbox"/>
s. All Other Expenses	\$ <u>456150</u>	<input type="checkbox"/>
<b>TOTAL INSTRUCTIONAL, OPERATIONAL, AND PERFORMANCE BUDGET</b>	\$ <u>2124550</u>	

## Section VI.B: BENEFITS

For more information about completing this section, please [click here](#).

Please provide a total figure for benefits to all individuals recorded in Sections IV (faculty), and V (administration) of this survey form regardless of budget source. (If you do not know this figure, please estimate based on the benefits package at your institutions.) Benefits include, but are not limited to, FICA, Health Insurance, Disability Insurance, Life Insurance, Retirement Plans, etc., paid for by the institution.

\$ 528150

## Section VI.C: GRAND TOTAL ANNUAL BUDGET OF THE ART/DESIGN UNIT IN 2008-2009

For more information about completing this section, please [click here](#).

This figure will include monies that are **directly controlled by the art/design unit**. It will include faculty and staff salaries (including benefits), and operational budgets (sum of expenses from Sections IV, V, and VI).

\$ 5280523

## Section VI.D: EQUIPMENT AND BUILDING BUDGET

For more information about completing this section, please [click here](#).

	<b>2008-2009 Academic Year</b>	<b>N/I</b>
<b>1. Equipment</b>		
a. Purchases	\$ <u>134400</u>	<input type="checkbox"/>
b. Leases and Rentals	\$ _____	<input type="checkbox"/>
c. Repairs	\$ _____	<input type="checkbox"/>
<b>2. Building</b>		
a. Renovation and Repair	\$ <u>40000</u>	<input type="checkbox"/>
b. Leases and Rentals	\$ _____	<input type="checkbox"/>
c. New Construction (Please describe below)	\$ _____	<input type="checkbox"/>

**TOTAL EQUIPMENT AND BUILDING BUDGET**  
(Total of VI.D.1. a.-c. and VI.D.2. a.-c. above only)

\$ 174400

For more information about completing this section, please [click here](#).

For more information about completing this section, please [click here](#).

For more information about completing this section, please [click here](#).

[illegible]

[illegible]

Other (please specify)

\_\_\_\_\_

\_\_\_\_\_

[illegible]

## Section VII: DEMOGRAPHIC SURVEY OF MASTER OF FINE ARTS AND DOCTORAL DEGREE STUDENTS

### C. DOCTORAL DEGREE STUDENTS WHO GRADUATED IN 2007-2008

For more information about completing this section, please [click here](#).

[illegible]

## Section VII: DEMOGRAPHIC SURVEY OF MASTER OF FINE ARTS AND DOCTORAL DEGREE STUDENTS

#### D. DOCTORAL DEGREE STUDENTS WHO DID NOT GRADUATE IN 2007-2008

For more information about completing this section, please [click here](#).

[illegible]

**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX A**

**Current Tuition and Fees Schedule**

**SUMMER 2007**

<b>Tuition:</b>	Credit Students	\$480/Credit Hour, returning full-time students
		\$500/Credit Hour, all others
	Non-Credit Students	\$260/Credit Hour
<b>Fees:</b>	Program/ Student Services Fee (per semester)	
	BFA/AFA/BA Students	\$30/ Credit Hour
	Certificate & Special Status Students	\$40/ Credit hour
	Printer Fee (Certain GD and Photo courses)	\$75/Class

**FALL 2007/SPRING 2008/SUMMER 2008**

<b>Tuition:</b>	Credit Students	\$480/Credit Hour, returning full-time students
		\$500/Credit Hour, all others
	Non-Credit Students	\$260/Credit Hour
<b>Fees:</b>	Program/ Student Services Fee (per semester)	
	BFA/AFA/BA Students	\$40/ Credit Hour
	Certificate & Special Status Students	\$50/ Credit hour
	Printer Fee (Certain GD and Photo courses)	\$75/Class

**Program/Student Services Fee.** This fee is applicable to all students enrolled in classes (including non-credit and special status students). This fee enables the College to provide additional academic and technological experiences and equipment for students in all major areas of study. This fee also helps defray the College's costs for holding a course that are not covered by tuition. It may cover such things as facility maintenance, purchase and maintenance of equipment, purchase and updating of slides and reference books, updating of software, photocopying of handouts, supplies provided for students, and models. Additionally the fee covers issuance of student ID cards, parking stickers, maintenance and security of parking lots, publications such as the Student Handbook and support of activities and projects of the Student Forum.



**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX B**

**Federal Loans and Grants Programs**

Watkins College of Art & Design enrolled students who were participants in federal loans and grants programs throughout the 2007-2008 academic year. The amounts distributed for each program are provided in the table below. As indicated, the amount distributed through federal Pell Grants (\$250,634) represents 5.3% of the institution's general expenditures.

<b>Table B Federal Loans and Grants</b>		
<b>Federal Program</b>	<b>Amount Distributed</b>	<b>Percent of General Expenditures</b>
Pell Grants	\$250,634	5.3%
SEOG	\$27,036	
Subsidized Loans	\$917,771	
Unsubsidized Loans	\$651,525	
Parent Loans (PLUS)	\$729,324	

**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX C**

**State Loans and Grants Programs**

Watkins College of Art & Design enrolled students who were participants in state loans and grants programs throughout the 2007-2008 academic year. The amounts distributed for each program are provided in the table below.

Table C State Loans and Grants	
State Program	Amount Distributed
TSAA	\$56,097
Lottery Scholarships	\$283,062

**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX D**

**Federal Loans and Grants Programs  
as Components of Income**

Watkins College of Art & Design enrolled students who were participants in federal loans and grants programs throughout the 2007-2008 academic year. The amounts distributed for each program are provided in the table below together with each program's contribution to tuition income and total income by percentage.

<b>Table D Federal Loans and Grants (as Components of Income)</b>			
<b>Federal Program</b>	<b>Amount Distributed</b>	<b>Percent of Tuition Income</b>	<b>Percent of Total Income</b>
Pell Grants	\$250,634	5.9%	5%
SEOG	\$27,036	.6%	.5%
Subsidized Loans	\$917,771	21.7%	18.5%
Unsubsidized Loans	\$651,525	15.4%	13.1%
Parent Loans (PLUS)	\$729,324	17.2%	14.7%

**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX E**

**State Loans and Grants Programs  
as Components of Income**

Watkins College of Art & Design enrolled students who were participants in state loans and grants programs throughout the 2007-2008 academic year. The amounts distributed for each program are provided in the table below together with each program's contribution to tuition income and total income by percentage.

<b>Table E State Loans and Grants (as Components of Income)</b>			
<b>State Program</b>	<b>Amount Distributed</b>	<b>Percent of Tuition Income</b>	<b>Percent of Total Income</b>
TSAA	\$56,097	1.3%	1.1%
Lottery Scholarships	\$283,062	6.7%	5.7%

**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX F**

**Audited Financial Statement  
Fiscal Year 2006-2007  
(Attached)**



**NASAD  
Supplemental Annual Report  
2007-2008 Academic Year**

**Watkins College of Art & Design**

**APPENDIX G**

**Other Accreditation Activity**

On February 15, 2007, Watkins College of Art & Design submitted an application for membership to the Commission on Colleges of the Southern Association of Colleges and Schools (SACS-COC). The application was reviewed over the course of the 2007-2008 Academic Year by the SACS-COC Executive Staff, during which time the College was asked to provide a Supplemental Report. This report was compiled and submitted on November 15, 2007. After further review, the application was deemed suitable for submission. Upon receiving notification of that determination, the contents of the supplemental report were merged into the original draft, and all data and other included information was brought up to date.

The application was re-submitted on May 1, 2008, and was then distributed to the members of the Committee on Compliance & Reports (the C&R Committee) for their review and evaluation. Following their deliberation, this body has authorized a Candidacy Committee visit for the institution.

**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX A**

**Current Tuition and Fees Schedule**

**SUMMER 2008**

<b>Tuition:</b>	Credit Students	\$480/Credit Hour
	Non-Credit Students	\$260/Credit Hour
<b>Fees:</b>	Program/ Student Services Fee (per semester)	
	BFA/AFA/BA Students	\$40/ Credit Hour
	Certificate & Special Status Students	\$50/ Credit hour
	Printer Fee (Certain GD and Photo courses)	\$75/Class

**FALL 2008/SPRING 2009/SUMMER 2009**

<b>Tuition:</b>	Credit Students	\$550/Credit Hour
	Non-Credit Students	\$285/Credit Hour
<b>Fees:</b>	Program/ Student Services Fee (per semester)	\$40/Credit Hour
	All Degree and Certificate Students	
<b>Change of Program Fee:</b>		\$25 from BA to BFA
<b>Intent to Graduate:</b>		\$85
<b>Printer Fee:</b>	Required for Certain GD & Photography Classes	\$75/Class, \$20/Class, or \$90/Class

**Program/Student Services Fee.** This fee is applicable to all students enrolled in classes (including non-credit and special status students). This fee enables the College to provide additional academic and technological experiences and equipment for students in all major areas of study. This fee also helps defray the College's costs for holding a course that are not covered by tuition. It may cover such things as facility maintenance, purchase and maintenance of equipment, purchase and updating of slides and reference books, updating of software, photocopying of handouts, supplies provided for students, and models. Additionally the fee covers issuance of student ID cards, parking stickers, maintenance and security of parking lots, publications such as the Student Handbook and support of activities and projects of the Student Forum.

**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX B**

**Federal Loans and Grants Programs**

Watkins College of Art & Design enrolled students who were participants in federal loans and grants programs throughout the 2008-2009 academic year. The amounts distributed for each program are provided in the table below. As indicated, the amount distributed through federal Pell Grants (\$294,384) represents 6.18% of the institution's general expenditures.

<b>Table B Federal Loans and Grants</b>		
<b>Federal Program</b>	<b>Amount Distributed</b>	<b>Percent of General Expenditures</b>
Pell Grants	\$294,384	6.18%
SEOG	\$28,497	
Subsidized Loans	\$902,745	
Unsubsidized Loans	\$1,025,950	
Parent Loans (PLUS)	\$498,468	



**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX C**

**State Loans and Grants Programs**

Watkins College of Art & Design enrolled students who were participants in state loans and grants programs throughout the 2008-2009 academic year. The amounts distributed for each program are provided in the table below.

Table C State Loans and Grants	
State Program	Amount Distributed
TSAA	\$42,417
Lottery Scholarships	\$288,250

**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX D**

**Federal Loans and Grants Programs  
as Components of Income**

Watkins College of Art & Design enrolled students who were participants in federal loans and grants programs throughout the 2008-2009 academic year. The amounts distributed for each program are provided in the table below together with each program's contribution to tuition income and total income by percentage.

<b>Table D Federal Loans and Grants (as Components of Income)</b>			
<b>Federal Program</b>	<b>Amount Distributed</b>	<b>Percent of Tuition Income</b>	<b>Percent of Total Income</b>
Pell Grants	\$294,348	6.41%	5.10%
SEOG	\$28,497	0.62%	0.49%
Subsidized Loans	\$902,745	19.65%	15.52%
Unsubsidized Loans	\$1,025,950	22.33%	17.63%
Parent Loans (PLUS)	\$498,468	10.85%	8.57%

**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX E**

**State Loans and Grants Programs  
as Components of Income**

Watkins College of Art & Design enrolled students who were participants in state loans and grants programs throughout the 2008-2009 academic year. The amounts distributed for each program are provided in the table below together with each program's contribution to tuition income and total income by percentage.

<b>Table E State Loans and Grants (as Components of Income)</b>			
<b>State Program</b>	<b>Amount Distributed</b>	<b>Percent of Tuition Income</b>	<b>Percent of Total Income</b>
TSAAs	\$42,417	0.99%	0.73%
Lottery Scholarships	\$288,250	6.27%	4.96%

**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX F**

**Audited Financial Statement  
Fiscal Year 2007-2008  
(Attached)**

**NASAD  
Supplemental Annual Report  
2008-2009 Academic Year**

**Watkins College of Art & Design**

**APPENDIX G**

**Other Accreditation Activity**

On September 16 & 17, 2008, Watkins College of Art & Design hosted a site visit by the Candidacy Committee assigned by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS-COC). At the Commission's annual meeting, on December 9, 2009, the College was admitted to Candidacy on the basis of the report of the Committee.

On January 29 & 30, 2009, the College hosted a preparatory visit by Dr Donna Wilkinson of the SACS-COC staff. At that meeting, the dates for the Accreditation Committee visit were established as November 10-12, 2009, and a deadline of October 1, 2009 was established for submitting the Compliance Certification. A vote on membership is expected at the Commission's June 2010 meeting.